

Hearing Date: TBD
Objection Deadline: TBD

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Counsel for Official Committee of Unsecured
Creditors of Lehman Brothers Holdings Inc., et al.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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	:	
In re:	:	Chapter 11 Case No.
	:	
LEHMAN BROTHERS HOLDINGS INC., <u>et al.</u> ,	:	08-13555 (JMP)
	:	
Debtors.	:	(Jointly Administered)
	:	
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**TENTH APPLICATION OF MILBANK, TWEED, HADLEY & M^cCLOY LLP,
COUNSEL TO OFFICIAL COMMITTEE OF UNSECURED CREDITORS, FOR
INTERIM APPROVAL AND ALLOWANCE OF COMPENSATION FOR SERVICES
RENDERED AND FOR REIMBURSEMENT OF EXPENSES DURING PERIOD FROM
OCTOBER 1, 2011 THROUGH AND INCLUDING MARCH 6, 2012**

Name of Applicant:	<u>Milbank, Tweed, Hadley & M^cCloy LLP</u>
Authorized to Provide Professional Services to:	<u>Official Committee of Unsecured Creditors</u>
Date of Retention:	<u>November 18, 2008 (effective as of September 17, 2008)</u>
Period for which compensation and reimbursement is sought:	<u>October 1, 2011 – March 6, 2012</u>

Amount of Compensation
requested:

\$11,988,000.25

Amount of Expense
Reimbursement requested:

\$417,403.79

This is an: X interim final application.

This is the tenth interim fee application filed by Milbank, Tweed, Hadley & McCloy LLP in these cases.

**TENTH INTERIM FEE APPLICATION OF MILBANK, TWEED,
HADLEY & M^CCLOY LLP: AS COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF LEHMAN BROTHERS HOLDINGS INC., ET AL.
(OCTOBER 1, 2011 – MARCH 6, 2012)**

Name	Position; Experience	Hourly Rate	Total Hours	Total Compensation
Paul Aronzon	Financial Restructuring Partner for 22 years; admitted in 1979.	\$1,140	15.00	\$17,100.00
		\$1,095	26.90	\$29,455.50
Dennis Dunne	Financial Restructuring Partner for 14 years; admitted in 1991.	\$1,140	92.60	\$105,564.00
		\$1,095	130.20	\$142,569.00
Elizabeth Besio Hardin	Global Finance Partner for 15 years; admitted in 1996.	\$1,125	3.70	\$4,162.50
		\$1,025	23.40	\$23,985.00
Peter Benudiz	Global Corporate Partner for 19 years; admitted in 1987.	\$1,025	5.90	\$6,047.50
David Cohen	Litigation Partner for 10 years; admitted in 1994.	\$1,125	261.10	\$293,737.50
		\$1,025	399.30	\$409,282.50
		\$562.5*	31.30	\$17,606.25
		\$512.5*	27.00	\$13,837.50
Wilbur Foster Jr	Financial Restructuring Partner for 21 years; admitted in 1982.	\$1,075	104.40	\$112,230.00
		\$995	131.00	\$130,345.00
Thomas C. Janson	Global Corporate Partner for 19 years; admitted in 1985.	\$995	4.40	\$4,378.00
Dale Ponikvar	Tax Partner for 22 years; admitted in 1981.	\$1,075	68.30	\$73,422.50
		\$995	146.10	\$145,369.50
		\$497.5*	3.60	\$1,791.00
Paul Wessel	Tax Partner for 16 years; admitted in 1988.	\$995	22.40	\$22,288.00
David Lamb	Global Corporate Partner for 22 years; admitted in 1992.	\$975	53.10	\$51,772.50
		\$1,030	8.50	\$8,755.00
Catherine Marsh	Global Project Finance Partner for 8 years; admitted in 1995.	\$975	2.30	\$2,242.50
Eric Moser	Global Finance Partner for 13 years; admitted in 1991.	\$1,030	4.60	\$4,738.00
		\$975	29.10	\$28,372.50
Winthrop Brown	Global Finance Partner for 29 years; admitted in 1975.	\$950	2.80	\$2,660.00
Stacey J. Rappaport	Litigation Partner for 8 years; admitted in 1997.	\$975	85.70	\$83,557.50
		\$925	77.40	\$71,595.00
James Warbey	Global Finance Partner for 7 years; admitted in 1996.	\$975	82.50	\$80,437.50
		\$925	166.10	\$153,642.50
Thomas Ingenhoven	Global Leveraged Finance Partner for 5 years; admitted in	\$900	7.70	\$6,930.00

	2001.			
Russell Kestenbaum	Tax Partner for 5 years; admitted in 1999.	\$950 \$900	9.00 13.90	\$8,550.00 \$12,510.00
Paul Denaro	Global Securities Partner for 4 years; admitted in 2000.	\$925 \$875	6.80 25.10	\$6,290.00 \$21,962.50
Evan R. Fleck	Financial Restructuring Partner for 2 years; admitted in 2002.	\$900 \$850	209.70 430.30	\$188,730.00 \$365,755.00
Risa Rosenberg	Financial Restructuring Of Counsel for 10 years; admitted in 1984.	\$950 \$900	5.90 30.00	\$5,605.00 \$27,000.00
Dennis O'Donnell	Financial Restructuring Of Counsel for 5 years; admitted in 1992.	\$910 \$860	534.70 650.00	\$486,577.00 \$559,000.00
Leah Karlov	Tax Of Counsel for 2 years; admitted in 2002.	\$775	6.00	\$4,650.00
Lena Mandel	Senior Attorney for 10 years; admitted in 1991.	\$795 \$705	85.20 201.90	\$67,734.00 \$142,339.50
Kevin Ashby	Senior Attorney for 9 years; admitted in 2004.	\$725 \$715	66.20 110.60	\$47,995.00 \$79,079.00
Adrian Azer	Litigation Associate for 9 years; admitted in 2003.	\$750 \$715 \$375* \$357.5*	102.70 396.70 5.30 32.50	\$77,025.00 \$283,640.50 \$1,987.50 \$11,618.75
Edward G. Baldwin	Litigation Associate for 9 years; admitted in 2003.	\$750 \$715	42.00 27.30	\$31,500.00 \$19,519.50
Drew Batkin	Tax Associate for 10 years; admitted in 2003.	\$750 \$715	105.10 108.80	\$78,825.00 \$77,792.00
Lisa Brabant	Real Estate Associate for 14 years; admitted in 1999.	\$750 \$715	3.50 6.70	\$2,625.00 \$4,790.50
Brian Kinney	Financial Restructuring Associate at Milbank for 10 years; admitted in 2004.	\$750	3.90	\$2,925.00
Aaron Renenger	Litigation Associate for 10 years; admitted in 2002.	\$750 \$715 \$357.5*	102.10 109.20 6.30	\$76,575.00 \$78,078.00 \$2,252.25
Brian Stern	Global Corporate Associate for 9 years; admitted in 2003.	\$715	12.00	\$8,580.00

Steven Szanzer	Financial Restructuring Associate for 12 years; admitted in 2001.	\$750	15.10	\$11,325.00
		\$715	147.70	\$105,605.50
Stephen Tudway	Litigation Associate for 14 years; admitted in 1998.	\$750	14.30	\$10,725.00
		\$715	2.30	\$1,644.50
Kristie Hutchinson	Global Leveraged Associate at Milbank for 1 year;	\$715	11.40	\$8,151.00
Grace Gilligan	Litigation Associate for 8 years; admitted in 2005.	\$735	368.10	\$270,553.50
		\$695	231.70	\$161,031.50
Justin McClelland	Litigation Associate for 20 years; admitted in 1993.	\$695	11.30	\$7,853.50
Peter Newman	Financial Restructuring Associate for 8 years; admitted in 2005.	\$735	2.00	\$1,470.00
		\$695	2.80	\$1,946.00
Maximilian Schneider	Global Leveraged Finance Associate for 8 years; admitted in 2005.	\$695	13.30	\$9,243.50
Melanie Westover	Litigation Associate for 8 years; admitted in 2005	\$735	3.50	\$2,572.50
Simran Bindra	Global Corporate Associate at Milbank for 1 year; admitted in 2001.	\$675	15.00	\$10,125.00
Karen Gartenberg	Financial Restructuring Associate for 7 years; admitted in 2006.	\$675	11.80	\$7,965.00
Sarah A. Sulkowski	Litigation Associate for 7 years; admitted in 2006.	\$720	11.10	\$7,992.00
John K. White Jr.	Litigation Associate for 7 years; admitted in 2006.	\$720	10.90	\$7,848.00
		\$675	38.40	\$25,920.00
Nicholas Bassett	Litigation Associate for 6 years; admitted in 2007.	\$695	155.40	\$108,003.00
		\$650	99.30	\$64,545.00
		\$347.5*	10.00	\$3,475.00
		\$325*	3.00	\$975.00
Melissa Ann Clark	Global Corporate Associate for 6 years; admitted in 2006.	\$650	4.70	\$3,055.00
James C. Harris	Financial Restructuring Associate for 6 years; admitted in 2008.	\$695	66.00	\$45,870.00
		\$650	100.20	\$65,130.00
Aluyah Imoisili	Litigation Associate for 6 years; admitted in 2006.	\$650	77.20	\$50,180.00
		\$325*	14.90	\$4,842.50
Stephanie Sklar	Real Estate Associate for 6 years; admitted in 2007.	\$695	5.40	\$3,753.00
		\$650	8.10	\$5,265.00

Krista Smokowski	Litigation Associate for 6 years; admitted in 2007.	\$695	12.30	\$8,548.50
Jeremy Sussman	Financial Restructuring Associate for 6 years; admitted in 2007.	\$695	108.50	\$75,407.50
		\$650	174.30	\$113,295.00
Oliver Irwin	Global Project Finance Associate for 5 years; admitted in 2007.	\$625	4.00	\$2,500.00
Nicole Leyton Rosser	Tax Associate for 5 years; admitted in 2008.	\$625	2.70	\$1,687.50
Gregory Papeika	Financial Restructuring Associate for 5 years; admitted in 2008.	\$675	10.30	\$6,952.50
		\$625	77.70	\$48,562.50
Sangyoon Nathan Park	Litigation Associate for 5 years; admitted in 2008.	\$675	89.10	\$60,142.50
		\$625	142.30	\$88,937.50
Charles Rubio	Financial Restructuring Associate for 5 years; admitted in 2008.	\$625	61.80	\$38,625.00
Mikhel Schecter	Alternative Investments Associate for 5 years; admitted in 2008.	\$625	5.50	\$3,437.50
Michael Weiner	Litigation Associate for 5 years; admitted in 2008.	\$675	188.10	\$126,967.50
		\$625	8.00	\$5,000.00
Jennie Woltz	Litigation Associate for 5 years; admitted in 2008.	\$625	76.80	\$48,000.00
Andrew Young	Financial Restructuring Associate for 5 years; admitted in 2006.	\$675	26.20	\$17,685.00
		\$625	110.90	\$69,312.50
Ateesh Chanda	Litigation Associate for 5 years; admitted in 2009.	\$650	9.10	\$5,915.00
		\$600	23.40	\$14,040.00
Michael Clarke	Global Finance Associate for 4 years; admitted in 2009.	\$650	49.60	\$32,240.00
		\$600	98.30	\$58,980.00
Joanna L. Grossman	Tax Associate for 4 years; admitted in 2009.	\$650	10.80	\$7,020.00
		\$600	42.00	\$25,200.00
Jared Joyce-Schleimer	Financial Restructuring Associate for 4 years; admitted in 2009.	\$650	167.00	\$108,550.00
		\$600	569.40	\$341,640.00
		\$325*	1.40	\$455.00
		\$300*	6.00	\$1,800.00
Roger Lee	Financial Restructuring Associate for 4 years; admitted in 2009.	\$600	2.50	\$1,500.00
Ulric Lewen	Global Securities Associate for 4 years; admitted in 2009.	\$650	8.10	\$5,265.00

Andrea McNamara	Financial Restructuring Associate for 4 years; admitted in 2009.	\$650	297.20	\$193,180.00
		\$600	488.90	\$293,340.00
		\$325*	8.90	\$2,892.50
		\$300*	8.30	\$2,490.00
Rachel Pojunas	Litigation Associate for 4 years; admitted in 2009.	\$600	39.40	\$23,640.00
Mark Rockefeller	Litigation Associate for 4 years; admitted in 2009.	\$650	56.60	\$36,790.00
		\$600	158.20	\$94,920.00
Jeremy Steckel	Global Securities Associate for 4 years; admitted in 2009.	\$600	16.20	\$9,720.00
Anna Thomander	Financial Restructuring Associate for 4 years; admitted in 2009.	\$600	35.00	\$21,000.00
Diane R. Young	Financial Restructuring Associate for 4 years; admitted in 2009.	\$600	10.40	\$6,240.00
Brittany Akins	Litigation Associate for 3 years; admitted in 2010.	\$625	41.60	\$26,000.00
		\$550	43.70	\$24,035.00
John Calabrese	Litigation Associate for 3 years; admitted in 2010.	\$625	28.00	\$17,500.00
		\$550	55.10	\$30,305.00
Randy Clark	Tax Associate for 3 years; admitted in 2010.	\$625	3.40	\$2,125.00
		\$550	16.90	\$9,295.00
Bradley Friedman	Financial Restructuring Associate for 3 years; admitted in 2010.	\$625	153.00	\$95,625.00
		\$550	489.80	\$269,390.00
Jacob Jou	Litigation Associate for 3 years; admitted in 2010.	\$625	145.70	\$91,062.50
		\$550	73.10	\$40,205.00
Matthew Kanter	Financial Restructuring Associate for 3 years; admitted in 2010.	\$625	137.90	\$86,187.50
		\$550	281.30	\$154,715.00
Denise Linton	Litigation Associate for 3 years; admitted in 2010.	\$625	272.30	\$170,187.50
		\$550	379.30	\$208,615.00
Tiara Lipps	Real Estate Associate for 3 years; admitted in 2010.	\$550	8.00	\$4,400.00
James Marshall	Global Securities Associate for 3 years; admitted in 2010.	\$625	2.60	\$1,625.00
		\$550	10.30	\$5,665.00
Andrew Morton	Financial Restructuring Associate for 3 years; admitted in 2010.	\$550	10.50	\$5,775.00
Jonathan Ostrzega	Financial Restructuring Associate for 3 years; admitted in 2010.	\$550	41.30	\$22,715.00
Neema Saran	Litigation Associate for 3 years; admitted in 2010.	\$625	19.80	\$12,375.00
		\$550	10.30	\$5,665.00
Brian Sturm	Financial Restructuring Associate for 3 years; admitted in 2010.	\$625	62.10	\$38,812.50
		\$550	41.00	\$22,550.00

Jeremy Wells	Global Securities Associate for 3 years; admitted in 2010.	\$625	\$175.30	\$109,562.50
		\$550	174.70	\$96,085.00
Ranee Adipat	Global Securities Associate for 2 years; admitted in 2011.	\$460	15.30	\$7,038.00
Eluard Alegre	Financial Restructuring Associate for 2 years; admitted in 2011.	\$460	142.10	\$65,366.00
Alicia Bove	Litigation Associate for 2 years; admitted in 2011.	\$570	265.20	\$151,164.00
		\$460	135.60	\$62,376.00
Matthew Brod	Financial Restructuring Associate for 2 years; admitted in 2011.	\$570	159.90	\$91,143.00
		\$460	434.00	\$199,640.00
Hugh Carlson	Litigation Associate for 2 years; admitted in 2011.	\$570	38.30	\$21,831.00
		\$460	226.60	\$104,236.00
Brenton T. Culpepper	Litigation Associate for 2 years; admitted in 2011.	\$570	35.10	\$20,007.00
		\$460	93.00	\$42,780.00
Regina Gromen	Alternative Investments Associate for 2 years; admitted in 2011.	\$460	20.90	\$9,614.00
Katie J. Hamilton	Litigation Associate for 2 years; admitted in 2011.	\$460	4.70	\$2,162.00
Nicole J. Lee	Financial Restructuring Associate for 2 years; admitted in 2011.	\$570	93.90	\$53,523.00
		\$460	197.50	\$90,850.00
Mark McCrone	Litigation Associate for 2 years; admitted in 2011.	\$570	288.30	\$164,331.00
		\$460	324.30	\$149,178.00
		\$230*	7.30	\$1,679.00
Michael Price	Financial Restructuring Associate for 2 years; admitted in 2011.	\$460	26.20	\$12,052.00
Christina Totino	Litigation Associate for 2 years; admitted in 2011.	\$570	241.30	\$137,541.00
		\$460	232.90	\$107,134.00
Greta Ulvad	Financial Restructuring Associate at Milbank for 2 years; admitted in 2011.	\$570	80.10	\$45,657.00
Jonathan Keen	Financial Restructuring Associate for 2 years; admitted in 2011.	\$470	24.60	\$11,562.00
		\$295	130.10	\$38,379.50
Lysondra Ludwig	Tax Associate at Milbank for 2 years; admitted in 2012.	\$470	7.00	\$3,290.00
Andrew Tsang	Financial Restructuring Associate at Milbank for 2 years; admitted in 2012.	\$470	11.80	\$5,546.00
Monica Alston	Case Manager	\$260	127.30	\$33,098.00
		\$255	180.50	\$46,027.50
Abayomi A. Ayandipo	Case Manager	\$260	114.80	\$29,848.00
		\$255	180.50	\$46,027.50

Oscar Castrillon	Case Manager	\$260	15.30	\$3,978.00
		\$255	34.70	\$8,848.50
Angel R. Anderson	Case Manager	\$260	66.40	\$17,264.00
		\$255	91.10	\$23,230.50
Richard Cosentino	Legal Assistant	\$290	201.50	\$58,435.00
		\$280	348.30	\$97,524.00
Randy Hooks	Legal Assistant	\$290	139.00	\$40,310.00
		\$280	236.20	\$66,136.00
Kim Strosser	Legal Assistant	\$290	14.40	\$4,176.00
		\$280	37.40	\$10,472.00
Charles J. Sheehan	Legal Assistant	\$290	52.30	\$15,167.00
		\$280	98.50	\$27,580.00
Markus Franken	Legal Assistant	\$245	2.50	\$612.50
Stefanie Kupczak	Legal Assistant	\$245	7.50	\$1,837.50
Paul Butters	Legal Assistant	\$235	37.80	\$8,883.00
		\$225	64.30	\$14,467.50
Mary A. Hood	Legal Assistant	\$235	2.50	\$587.50
		\$225	26.30	\$5,917.50
Ali Khan	Legal Assistant	\$200	3.70	\$740.00
Peter Delfausse	Legal Assistant	\$195	13.90	\$2,710.50
Charmaine Thomas	Legal Assistant	\$210	106.30	\$22,323.00
		\$195	233.30	\$45,493.50
Kyle Martin	Legal Assistant	\$195	347.20	\$67,704.00
		\$185	407.00	\$75,295.00
Wendy Sobel Barr	Legal Assistant	\$180	123.20	\$22,176.00
		\$165	225.90	\$37,273.50
Jacqueline Brewster	Legal Assistant	\$195	16.60	\$3,237.00
		\$185	31.20	\$5,772.00
Theartis Everett	Litigation Support Specialist	\$265	89.10	\$23,611.50
		\$290	75.50	\$21,895.00
James McGuire	Litigation Support Specialist	\$295	2.40	\$708.00
		\$290	8.80	\$2,552.00
Rhodely Vallon	Litigation Support Specialist	\$295	154.00	\$45,430.00
		\$290	193.90	\$56,231.00
Gabrielle Zsebi	Librarian	\$220	7.40	\$1,628.00
Maria Smilen	File Clerk	\$130	26.40	\$3,432.00
		\$125	19.80	\$2,475.00
Total		\$593.36	20,203.60	\$11,988,000.25
		(blended rate)¹	Hours	

¹ The blended rate excluding paraprofessionals is \$685.01 per hour.

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HADLEY & McCLOY LLP: AS COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS OF LEHMAN BROTHERS HOLDINGS INC., ET AL.
(OCTOBER 1, 2011 – MARCH 6, 2012)**

ACTIVITY	HOURS	FEES
General Case Administration	284.10	224,145.00
General Case Strategy Meetings	4.10	2,124.00
Project Monitoring/Court Calendar & Docket Maintenance	563.50	163,665.50
Hearings and Court Communications	338.10	218,256.50
Non-Working Travel	185.70	86,279.75
Interested Party Communications/Website/Lehman Team Hotline	288.30	162,098.00
Communications with Debtors	10.70	10,309.00
Unsecured Creditors Issues/Meetings/Communications/Creditors' Committee	758.60	568,327.00
Secured Creditors Issues/Meetings/Communications	1.40	273.00
Equity Holders/Motions/Hearings	.30	58.50
LBI/SIPC Coordination and Issues	687.80	487,905.00
Insurance Issues	18.40	13,433.50
Employee/ERISA/Benefits/Pension Issues	58.80	46,575.50
Tax Issues	520.00	421,632.50
Corporate Governance	51.30	41,565.50
Other General Business Operation Issues	2.40	2,700.00
Intercompany Issues	155.10	96,247.00
Real Estate Matters	603.60	449,651.00
Private Equity	49.40	37,749.00
Derivatives/SWAP Agreement Issues (Including Derivatives- Related Adversary Proceedings, Alternative Dispute Resolution, and Claims Reconciliation and Litigation)	6,348.70	3,825,595.00
Loans/Investments	122.90	71,507.00
Domestic Bank and Related Regulatory Issues	27.60	17,397.50
International Insolvency Issues	559.30	361,044.00

Non-Derivative Automatic Stay/Safe Harbor Issues	71.00	36,685.50
Miscellaneous Asset Sales/363 Issues	1.80	1,274.00
Non-Derivative Executory Contracts/365 Issues	8.60	4,452.00
DIP Financing	3.20	816.50
Plan of Reorganization/Plan Confirmation/Plan Implementation	1,262.50	857,666.50
Disclosure Statement/Solicitation/Voting	2.40	1,678.50
Non-Derivative Claims	1,364.70	818,423.50
Other Bankruptcy Motions and Matters	25.70	14,611.00
Non-Derivative Adversary Proceedings Preparation and Litigation	2,671.90	1,495,869.50
Non-Bankruptcy Litigation	.10	62.50
2004 Issues	.10	55.00
Firm's Own Billing/Fee Applications	1,401.80	484,735.00
Firm's Own Retention Issues	163.90	94,117.50
Third Party Retention/Fee Application/Other Issues	509.80	283,358.50
Stock Loan Litigation	1,076.00	585,656.00
Total	20,203.60	\$11,988,000.25

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CREDITORS OF LEHMAN BROTHERS HOLDINGS INC., ET AL.
(OCTOBER 1, 2011 – MARCH 6, 2012)**

DISBURSEMENTS	AMOUNT
Airfreight	1,864.08
Cab Fares/Local Travel	35,914.76
Computer Database Research	222,530.59
Fees	8,460.30
Mail	79.08
Meals	18,472.94
Messenger	1,762.23
Misc	213.09
Outside Reproduction	633.84
Photocopies	73,585.40
Telephone	15,511.82
Travel	38,375.66
TOTAL DISBURSEMENTS	<u>\$417,403.79</u>

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Telephone: (212) 530-5000

Counsel for Official Committee of Unsecured
Creditors of Lehman Brothers Holdings Inc., et al.

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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	:	
In re:	:	Chapter 11 Case No.
	:	
LEHMAN BROTHERS HOLDINGS INC., <u>et al.</u> ,	:	08-13555 (JMP)
	:	
Debtors.	:	(Jointly Administered)
	:	
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**TENTH APPLICATION OF MILBANK, TWEED, HADLEY & M^cCLOY LLP,
COUNSEL TO OFFICIAL COMMITTEE OF UNSECURED CREDITORS, FOR
INTERIM APPROVAL AND ALLOWANCE OF COMPENSATION FOR SERVICES
RENDERED AND FOR REIMBURSEMENT OF EXPENSES DURING PERIOD FROM
OCTOBER 1, 2011 THROUGH AND INCLUDING MARCH 6, 2012**

TO THE HONORABLE JAMES M. PECK
UNITED STATES BANKRUPTCY JUDGE:

Milbank, Tweed, Hadley & M^cCloy LLP ("Milbank"), counsel to the Official
Committee of Unsecured Creditors (the "Committee") of Lehman Brothers Holdings Inc.
("LBHI"), Lehman Brothers Special Financing Inc. ("LBSF"), Lehman Commercial Paper Inc.
("LCPI"), Lehman Brothers Commodity Services Inc. ("LBCS") and their affiliated debtors in
possession in the above-captioned cases (collectively, the "Debtors" and, together with their non-
Debtor affiliates, "Lehman"), hereby submits its application (the "Application"), pursuant to
sections 330 and 331 of chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq.

(as amended, the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), the Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on June 24, 1991, and amended on April 21, 1995, and November 25, 2009 (collectively, the “Local Guidelines”), the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, effective January 30, 1996 (the “U.S. Trustee Guidelines”), the Fourth Amended Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code and Bankruptcy Rule 2016(a) Establishing Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals, dated April 14, 2011 (the “Interim Compensation Order”) [Docket No. 15997], and the guidelines contained in the Fee Committee’s Confidential Letter Report on the Sixth Interim Application of Milbank, dated April 12, 2011 (the “Fee Committee Guidelines”), for the allowance of interim compensation for professional services rendered from October 1, 2011 through and including March 6, 2012 (the “Tenth Interim Compensation Period”), and for reimbursement of expenses incurred in connection with such services. In support thereof, Milbank respectfully represents as follows:

INTRODUCTION

A. Background

1. Bankruptcy Filing. On September 15, 2008, and periodically thereafter (the “Petition Date”), the Debtors commenced the above-captioned chapter 11 cases (the “Chapter 11 Cases”). The Debtors’ Chapter 11 Cases have been consolidated for procedural purposes and are being jointly administered pursuant to Rule 1015(b) of the Bankruptcy Rules. The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. Creditors' Committee. On September 17, 2008, the Office of the United States Trustee for the Southern District of New York (the "U.S. Trustee") appointed the Committee in the Chapter 11 Cases.

3. SIPA Trustee. On September 19, 2008, a proceeding (the "SIPA Proceeding") was commenced under the Securities Investor Protection Act of 1970 ("SIPA") with respect to Lehman Brothers Inc. ("LBI"), a wholly owned subsidiary of LBHI and a registered broker-dealer. James W. Giddens, Esq. is the trustee appointed under SIPA (the "SIPA Trustee") administering LBI's estate.

4. Examiner. The United States Bankruptcy Court for the Southern District of New York (the "Court") approved the appointment of Anton R. Valukas as examiner (the "Examiner") in the Chapter 11 Cases in the Order Approving the Appointment of Examiner, dated January 20, 2009. In accordance with his appointment, the Examiner issued his report on February 8, 2010 under seal, which was subsequently unsealed on March 11, 2010.

5. Fee Committee. On May 26, 2009, the Court appointed a fee committee (the "Fee Committee") and approved a fee protocol (the "Fee Protocol") in the Chapter 11 Cases. On January 24, 2011, the Court approved the Fee Committee's recommendation to appoint Richard A. Gitlin as the successor Independent Member on the Fee Committee. By motion dated March 11, 2011, the Fee Committee sought authorization to amend the Fee Protocol, which the Court granted on April 14, 2011 (the "Amended Fee Protocol") [Docket No. 15998].

6. Debtors' Plan and Disclosure Statement. On March 15, 2010, the Debtors filed their Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors [Docket No. 7572]. Subsequently, on April 14, 2010, the Debtors filed their Disclosure Statement for Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors

Pursuant to Section 1125 of the Bankruptcy Code [Docket No. 8332], along with their revised Chapter 11 Plan [Docket No. 8330].

7. Debtors' First Amended Plan and Disclosure Statement. On January 25, 2011, the Debtors filed their First Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors [Docket No. 14150] (the "Debtors' First Amended Plan") and the Debtors' Disclosure Statement for First Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors Pursuant to Section 1125 of the Bankruptcy Code [Docket No. 14151].

8. Debtors' Second Amended Plan and Disclosure Statement. Following the filing of competing plans of reorganization by the Ad Hoc Group of Lehman Brothers Creditors and the Non-Consolidation Plan Proponents, the Debtors filed their Second Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors [Docket No. 18204] and the Disclosure Statement for Second Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors Pursuant to Section 1125 of the Bankruptcy Code [Docket No. 18205] on June 30, 2011.

9. Debtors' Third Amended Plan and Disclosure Statement. After numerous and lengthy negotiations among the Debtors, the Committee and multiple creditor groups, including Lehman's affiliates in countries outside of the U.S. (the "Foreign Affiliates"), on September 1, 2011, the Debtors filed the Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors (as amended, modified and supplemented, the "Plan") [Docket No. 19627] and the Debtors' Disclosure Statement for the Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors Pursuant to Section 1125 of the Bankruptcy Code (the "Disclosure Statement") [Docket No. 19629]. Also on

September 1, 2011, the Court entered an amended order approving the Disclosure Statement, establishing solicitation and voting procedures in connection with the Plan, scheduling a confirmation hearing for December 6, 2011, and establishing notice and objection procedures for the confirmation hearing [Docket No. 19631]. On September 15, 2011, the Court entered an order approving a modification to the Disclosure Statement [Docket No. 20016]. On December 6, 2011, the Court entered an order confirming the Plan [Docket No. 23023]. The Plan went effective at 12:01 a.m. on March 6, 2012 (the “Effective Date”).

10. Jurisdiction. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue of the Chapter 11 Cases is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding under 28 U.S.C. § 157(b)(2). The statutory predicates for the relief sought herein are sections 330 and 331 of the Bankruptcy Code. Pursuant to the Local Guidelines, a certification regarding compliance with the Local Guidelines is attached hereto as Exhibit “A.”

B. Retention of Milbank and Billing History

11. Authorization for Milbank’s Retention. On November 5, 2008, pursuant to the Interim Order Under 11 U.S.C. § 1103 And Fed. R. Bankr. P. 2014 And 5002 Authorizing The Retention And Employment Of Milbank, Tweed, Hadley & McCloy LLP, As Counsel For The Official Committee Of Unsecured Creditors Effective As Of September 17, 2008 (the “Retention Order”), the Court authorized Milbank’s retention as counsel for the Committee in these Chapter 11 Cases. The Retention Order, which became a final order on November 21, 2008, authorized Milbank to receive compensation pursuant to the procedures set forth in the Bankruptcy Code, the Bankruptcy Rules, the Local Guidelines, the U.S. Trustee Guidelines, and the local rules and orders of this Court. Among other things, the Retention Order provides that

Milbank's hourly rates are subject to periodic firm-wide adjustments in the ordinary course of Milbank's business.

12. First Interim Fee Application. On April 10, 2009, Milbank filed its First Application Of Milbank, Tweed, Hadley & McCloy LLP, Counsel to Official Committee of Unsecured Creditors, For Interim Approval And Allowance Of Compensation For Services Rendered And For Reimbursement Of Expenses During Period From September 17, 2008 Through And Including January 31, 2009 (the "First Interim Fee Application"). In the First Interim Fee Application, Milbank requested (i) allowance of compensation for professional services rendered during the period from September 17, 2008 through and including January 31, 2009 (the "First Interim Compensation Period") in the total amount of \$12,123,376.00,¹ and (ii) reimbursement of its actual and necessary expenses incurred during the First Interim Compensation Period in the amount of \$668,388.72. Pursuant to the Interim Compensation Order, Milbank received payment in the amount of \$10,397,943.56 during the First Interim Compensation Period. On August 5, 2009, the Court approved the First Interim Fee Application, subject to a ten percent holdback pursuant to the recommendation of the Fee Committee. On September 10, 2009, the Court approved the release of the remaining holdback, subject to a \$69,990.04 deduction, at the recommendation of the Fee Committee.²

13. Second Interim Fee Application. On August 14, 2009, Milbank filed its Second Application Of Milbank, Tweed, Hadley & McCloy LLP, Counsel to Official Committee of Unsecured Creditors, For Interim Approval And Allowance Of Compensation For Services

¹ Milbank voluntarily reduced the fees it sought to have allowed for the First Interim Compensation Period by \$129,111.00. However, Milbank reserved, and continues to reserve, the right to seek the allowance of all or a portion of such fees at a later date.

² Milbank reserved and continues to reserve the right to seek, at a later date, the allowance of all or a portion of such fees.

Rendered And For Reimbursement Of Expenses During Period From February 1, 2009 Through And Including May 31, 2009 (the “Second Interim Fee Application”). In the Second Interim Fee Application, Milbank requested (i) allowance of compensation for professional services rendered during the period from February 1, 2009 through and including May 31, 2009 (the “Second Interim Compensation Period”) in the total amount of \$16,829,521.00,³ and (ii) reimbursement of its actual and necessary expenses incurred during the Second Interim Compensation Period in the amount of \$1,019,754.61. Pursuant to the Interim Compensation Order, Milbank received payment in the amount of \$14,582,737.21 during the Second Interim Compensation Period. On September 25, 2009, the Court approved the Second Interim Fee Application, subject to a ten percent holdback pursuant to the recommendation of the Fee Committee. On December 23, 2009, the Court released the ten percent holdback, subject to a \$311,734.82 deduction, at the recommendation of the Fee Committee.⁴

14. Third Interim Fee Application. On December 14, 2009, Milbank filed its Third Application Of Milbank, Tweed, Hadley & McCloy LLP, Counsel to Official Committee of Unsecured Creditors, For Interim Approval And Allowance Of Compensation For Services Rendered And For Reimbursement Of Expenses During Period From June 1, 2009 Through And Including September 30, 2009 (the “Third Interim Fee Application”). In the Third Interim Fee Application, Milbank requested (i) allowance of compensation for professional services rendered during the period from June 1, 2009 through and including September 30, 2009 (the “Third

³ Milbank voluntarily reduced the fees it sought to have allowed for the Second Interim Compensation Period by \$154,700.25, on account of, among other things, certain matters identified by the Fee Committee. However, Milbank reserved, and continues to reserve, the right to seek the allowance of all or a portion of such fees at a later date.

⁴ Milbank reserved and continues to reserve the right to seek, at a later date, the allowance of all or a portion of such fees.

Interim Compensation Period”) in the total amount of \$10,881,540.00,⁵ and (ii) reimbursement of its actual and necessary expenses incurred during the Third Interim Compensation Period in the amount of \$583,803.10. Pursuant to the Interim Compensation Order, Milbank received payment in the amount of \$7,480,652.96 during the Third Interim Compensation Period. On April 9, 2010, the Court approved the Third Interim Fee Application, subject to a \$292,555.40 deduction, at the recommendation of the Fee Committee.⁶

15. Fourth Interim Fee Application. On April 16, 2010, Milbank filed its Fourth Application Of Milbank, Tweed, Hadley & M^cCloy LLP, Counsel to Official Committee of Unsecured Creditors, For Interim Approval And Allowance Of Compensation For Services Rendered And For Reimbursement Of Expenses During Period From October 1, 2009 Through And Including January 31, 2010 (the “Fourth Interim Fee Application”). In the Fourth Interim Fee Application, Milbank requested (i) allowance of compensation for professional services rendered during the period from October 1, 2009 through and including January 31, 2010 (the “Fourth Interim Compensation Period”) in the total amount of \$13,595,778.50,⁷ and (ii) reimbursement of its actual and necessary expenses incurred during the Fourth Interim Compensation Period in the amount of \$451,410.54. Pursuant to the Interim Compensation Order, Milbank received payment in the amount of \$11,341,325.19 during the Fourth Interim Compensation Period. On September 7, 2010, the Court approved the Fourth Interim Fee

⁵ Milbank voluntarily reduced the fees it sought to have allowed for the Third Interim Compensation Period by \$419,548.50, on account of, among other things, certain matters identified by the Fee Committee. However, Milbank reserved, and continues to reserve, the right to seek the allowance of all or a portion of such fees at a later date.

⁶ Milbank reserved, and continues to reserve, the right to seek, at a later time, the allowance of all or a portion of such fees.

⁷ Milbank voluntarily reduced the fees it sought to have allowed for the Fourth Interim Compensation Period by \$111,446.50, on account of, among other things, certain matters identified by the Fee Committee. However, Milbank reserved, and continues to reserve, the right to seek the allowance of all or a portion of such fees at a later date.

Application, subject to a holdback of \$733,570.87, relating to certain unresolved objections asserted by the Fee Committee.⁸

16. Fifth Interim Fee Application. On August 16, 2010, Milbank filed its Fifth Application Of Milbank, Tweed, Hadley & McCloy LLP, Counsel to Official Committee of Unsecured Creditors, For Interim Approval And Allowance Of Compensation For Services Rendered And For Reimbursement Of Expenses During Period From February 1, 2010 Through And Including May 31, 2010 (the “Fifth Interim Fee Application”). In the Fifth Interim Fee Application, Milbank requested (i) allowance of compensation for professional services rendered during the period from February 1, 2010 through and including May 31, 2010 (the “Fifth Interim Compensation Period”) in the total amount of \$19,450,342.75,⁹ and (ii) reimbursement of its actual and necessary expenses incurred during the Fifth Interim Compensation Period in the amount of \$851,804.27. Pursuant to the Interim Compensation Order, Milbank received payment in the amount of \$16,427,844.72 during the Fifth Interim Compensation Period.¹⁰ On May 12, 2011, the Court approved the Fifth Interim Fee Application, subject to a holdback of \$413,818.13, relating to certain unresolved objections asserted by the Fee Committee.¹¹

17. Sixth Interim Fee Application. On December 14, 2010, Milbank filed its Sixth Application Of Milbank, Tweed, Hadley & McCloy LLP, Counsel to Official Committee of Unsecured Creditors, For Interim Approval And Allowance Of Compensation For Services

⁸ Milbank reserved, and continues to reserve, the right to seek the allowance of all or a portion of such fees at a later date.

⁹ Milbank voluntarily reduced the fees it sought to have allowed for the Fifth Interim Compensation Period by \$199,247.00, on account of, among other things, certain matters identified by the Fee Committee. However, Milbank reserved, and continues to reserve, the right to seek the allowance of all or a portion of such fees at a later date.

¹⁰ Milbank reserves the right to seek the allowance of all or a portion of such fees at a later date.

¹¹ Milbank reserved, and continues to reserve, the right to seek the allowance of all or a portion of such fees at a later date.

Rendered And For Reimbursement Of Expenses During Period From June 1, 2010 Through And Including September 30, 2010 (the “Sixth Interim Fee Application”). In the Sixth Interim Fee Application, Milbank requested (i) allowance of compensation for professional services rendered during the period from June 1, 2010 through and including September 30, 2010 (the “Sixth Interim Compensation Period”) in the total amount of \$18,359,367.75,¹² and (ii) reimbursement of its actual and necessary expenses incurred during the Sixth Interim Compensation Period in the amount of \$792,924.64. Pursuant to the Interim Compensation Order, Milbank received payment in the amount of \$15,491,759.01 during the Sixth Interim Compensation Period. On October 25, 2011, the Court approved the Sixth Interim Fee Application, subject to a \$173,410.66 deduction, at the recommendation of the Fee Committee.¹³

18. Seventh Interim Fee Application. On June 2, 2011, Milbank filed its Seventh Application Of Milbank, Tweed, Hadley & M^cCloy LLP, Counsel to Official Committee of Unsecured Creditors, For Interim Approval And Allowance Of Compensation For Services Rendered And For Reimbursement Of Expenses During Period From October 1, 2010 Through And Including January 31, 2011 (the “Seventh Interim Fee Application”). In the Seventh Interim Fee Application, Milbank requested (i) allowance of compensation for professional services rendered during the period from October 1, 2010 through and including January 31, 2011 (the “Seventh Interim Compensation Period”) in the total amount of \$14,180,784.75,¹⁴ and (ii)

¹² Milbank voluntarily reduced the fees it sought to have allowed for the Sixth Interim Compensation Period by \$229,420.50, on account of, among other things, certain matters identified by the Fee Committee. However, Milbank reserved, and continues to reserve, the right to seek the allowance of all or a portion of such fees at a later date.

¹³ Milbank reserved, and continues to reserve, the right to seek, at a later time, the allowance of all or a portion of such fees.

¹⁴ Milbank voluntarily reduced the fees it sought to have allowed for the Seventh Interim Compensation Period by \$133,519.75, on account of, among other things, certain matters identified by the Fee Committee.

reimbursement of its actual and necessary expenses incurred during the Seventh Interim Compensation Period in the amount of \$633,261.80. Pursuant to the Interim Compensation Order, Milbank received payment in the amount of \$11,995,760.01 during the Seventh Interim Compensation Period. On December 20, 2011, the Court approved the Seventh Interim Fee Application, subject to a \$563,718.73 deduction, at the recommendation of the Fee Committee.¹⁵

19. Eighth Interim Fee Application. On August 15, 2011, Milbank filed its Eighth Application Of Milbank, Tweed, Hadley & McCloy LLP, Counsel to Official Committee of Unsecured Creditors, For Interim Approval And Allowance Of Compensation For Services Rendered And For Reimbursement Of Expenses During Period From February 1, 2011 Through and Including May 31, 2011 (the “Eighth Interim Fee Application”) in the total amount of \$14,678,049.25,¹⁶ and (ii) reimbursement of its actual and necessary expenses incurred during the Seventh Interim Compensation Period in the amount of \$794,661.63. Pursuant to the Interim Compensation Order, Milbank received payment in the amount of \$11,742,439.40 during the Eighth Interim Compensation Period. On December 20, 2011, the Court approved the Eighth Interim Fee Application, subject to a \$1,756,689.00 deduction, at the recommendation of the Fee Committee.¹⁷

However, Milbank reserved, and continues to reserve, the right to seek the allowance of all or a portion of such fees at a later date.

¹⁵ Milbank reserved, and continues to reserve, the right to seek, at a later time, the allowance of all or a portion of such fees.

¹⁶ Milbank voluntarily reduced the fees it sought to have allowed for the Eighth Interim Compensation Period by \$191,269.75, on account of, among other things, certain matters identified by the Fee Committee. However, Milbank reserved, and continues to reserve, the right to seek the allowance of all or a portion of such fees at a later date.

¹⁷ Milbank reserved, and continues to reserve, the right to seek, at a later time, the allowance of all or a portion of such fees.

20. Ninth Interim Fee Application. On December 14, 2011, Milbank filed its Ninth Application Of Milbank, Tweed, Hadley & McCloy LLP, Counsel to Official Committee of Unsecured Creditors, For Interim Approval And Allowance Of Compensation For Services Rendered And For Reimbursement Of Expenses During Period From June 1, 2011 Through and Including September 30, 2011 (the “Ninth Interim Fee Application”) in the total amount of \$12,334,262.25,¹⁸ and (ii) reimbursement of its actual and necessary expenses incurred during the Ninth Interim Compensation Period in the amount of \$493,651.21. Pursuant to the Interim Compensation Order, Milbank received payment in the amount of \$10,361,061.01 during the Ninth Interim Compensation Period. No hearing date has yet been scheduled with respect to the Ninth Interim Fee Application.

21. Application. Milbank makes this tenth interim application for approval and allowance of compensation and reimbursement of expenses pursuant to sections 330 and 331 of the Bankruptcy Code.

22. In accordance with the Interim Compensation Order, Milbank submitted monthly fee statements to the Debtors seeking interim compensation and reimbursement of expenses. During the Tenth Interim Compensation Period, Milbank submitted the following fee statements:

- a. On December 6, 2011, pursuant to the Interim Compensation Order, Milbank served its thirty-seventh fee statement for the period from October 1, 2011 through and including October 31, 2011 (the “Thirty-Seventh Fee Statement”). The Thirty-Seventh Fee Statement sought (i) an allowance of \$2,714,970.50 as compensation for services rendered and (ii) the reimbursement of \$84,975.43 in expenses. As of the date hereof, Milbank has received a total of \$2,256,951.83

¹⁸ Milbank voluntarily reduced the fees it sought to have allowed for the Ninth Interim Compensation Period by \$164,335.25, on account of, among other things, certain matters identified by the Fee Committee. However, Milbank reserved, and continues to reserve, the right to seek the allowance of all or a portion of such fees at a later date.

which represents payment for (y) 80% of Milbank's fees and (z) 100% of the expenses incurred pursuant to the Thirty-Seventh Fee Statement.

- b. On March 12, 2012, pursuant to the Interim Compensation Order, Milbank served its thirty-eighth fee statement for the period from November 1, 2011 through and including November 30, 2011 (the "Thirty-Eighth Fee Statement"). The Thirty-Eighth Fee Statement sought (i) an allowance of \$2,435,329.25 as compensation for services rendered and (ii) the reimbursement of \$101,111.73 in expenses. As of the date hereof, Milbank has received a total of \$2,049,375.13 which represents payment for (y) 80% of Milbank's fees and (z) 100% of the expenses incurred pursuant to the Thirty-Eighth Fee Statement.
- c. On April 9, 2012, pursuant to the Interim Compensation Order, Milbank served its thirty-ninth fee statement for the period from December 1, 2011 through and including December 31, 2011 (the "Thirty-Ninth Fee Statement"). The Thirty-Ninth Fee Statement sought (i) an allowance of \$1,921,981.25 as compensation for services rendered and (ii) the reimbursement of \$62,367.91 in expenses. As of the date hereof, Milbank has received a total of \$1,599,952.91 which represents payment for (y) 80% of Milbank's fees and (z) 100% of the expenses incurred pursuant to the Thirty-Ninth Fee Statement.
- d. On May 2, 2012, pursuant to the Interim Compensation Order, Milbank served its fortieth fee statement for the period from January 1, 2012 through and including January 31, 2012 (the "Fortieth Fee Statement"). The Fortieth Fee Statement sought (i) an allowance of \$2,316,417.00 as compensation for services rendered and (ii) the reimbursement of \$97,212.87 in expenses. As of the date hereof, Milbank has received a total of \$1,950,346.47 which represents payment for (y) 80% of Milbank's fees and (z) 100% of the expenses incurred pursuant to the Fortieth Fee Statement.
- e. On May 15, 2012, pursuant to the Interim Compensation Order, Milbank served its forty-first fee statement for the period from February 1, 2012 through and including March 6, 2012 (the "Forty-First Fee Statement," and together with the Thirty-Seventh, Thirty-Eighth, Thirty-Ninth and Fortieth Fee Statements, the "Fee Statements"). The Forty-First Fee Statement sought (i) an allowance of \$2,486,460.75 as compensation for services rendered and (ii) the reimbursement of \$72,415.85 in expenses. As of the date hereof, Milbank has received a total of \$2,061,584.45 which represents payment for (y) 80% of Milbank's fees and (z) 100% of the expenses incurred pursuant to the Forty-First Fee Statement.

23. Milbank has not entered into any agreement, express or implied, with any other party for the purpose of fixing or sharing fees or other compensation to be paid for professional services rendered in these cases. No promises have been received by Milbank or

any member thereof as to compensation in connection with these cases other than in accordance with the provisions of the Bankruptcy Code.

II.

APPLICATION

24. By this Application, Milbank is seeking allowance of (a) compensation for professional services rendered by Milbank, as counsel for the Committee, during the Tenth Interim Compensation Period and (b) reimbursement of expenses incurred by Milbank in connection with such services during the Tenth Interim Compensation Period.

25. In this Application, Milbank seeks approval of \$11,988,000.¹⁹ for legal services rendered on behalf of the Committee during the Tenth Interim Compensation Period and \$417,403.79²⁰ for reimbursement of expenses incurred in connection with the rendering of such services, for a total award of \$12,405,404.04.

26. Pursuant to the Interim Compensation Order, Milbank has already received payment of \$4,133,453.16 during the Tenth Interim Compensation Period. Milbank will seek a total payment of \$8,271,950.88 pursuant to this Application, which amount represents the portion of Milbank's fees for legal services rendered and expenses incurred during the Tenth Interim Compensation Period not previously paid to Milbank pursuant to the Interim Compensation Order.²¹

¹⁹ The compensation sought by this Application reflects a voluntary reduction of approximately \$132,986.25 including, but not limited to, certain fee issues identified by the Fee Committee. However, Milbank reserves the right to seek allowance of all or a portion of such fees at a future date.

²⁰ This amount reflects a reduction of certain expenses as per the Fee Committee Guidelines, including overtime meal expenses for which Milbank seeks reimbursement of no more than \$20 per meal. Milbank reserves the right to seek, at a later date, reimbursement for the total amount of expenses incurred in connection with its representation of the Committee.

²¹ As is customary, in connection with the preparation of this Application, Milbank has reviewed the fees and expenses set forth in its Fee Statements. Based on this review, the amount requested herein on account of fees and expenses incurred by Milbank during the Tenth Interim Compensation Period is \$115,049.50

27. The fees sought by this Application reflect an aggregate of 20,203.6 hours of attorney and paraprofessional time spent and recorded in performing services for the Committee during the Tenth Interim Compensation Period, at a blended average hourly rate of \$593.36 for both professionals and paraprofessionals. The blended hourly rate for professionals only is \$685.01.

28. Milbank rendered to the Committee all services for which compensation is sought solely in connection with the Chapter 11 Cases, in furtherance of the duties and functions of the Committee.

29. Milbank maintains computerized records of the time expended in the rendering of the professional services required by the Committee. These records are maintained in the ordinary course of Milbank's practice. For the convenience of the Court and parties in interest, a billing summary for the Tenth Interim Compensation Period is attached as part of the cover sheet, setting forth the name of each attorney and paraprofessional for whose work on these cases compensation is sought, each attorney's year of bar admission, the aggregate of the time expended by each such attorney or paraprofessional, the hourly billing rate for each such attorney or paraprofessional at Milbank's current billing rates, and an indication of the individual amounts requested as part of the total amount of compensation requested. In addition, set forth in the billing summary is additional information indicating whether each attorney is a partner, counsel or associate, the number of years each attorney has held such position, and each attorney's area of concentration. The compensation requested by Milbank is based on the

more than the sum of fees and expenses set forth in the Fee Statements, due to certain fees and expenses posted after our submission of the Thirty-Seventh Fee Statement. Accordingly, upon approval of the relief requested herein, Milbank will reduce its request for payment from the Debtors by such amount.

customary compensation charged by comparably skilled practitioners in cases other than cases under the Bankruptcy Code.

30. Attached hereto as Exhibit “B” are time entry records broken down in tenths of an hour by project category, based on the U.S. Trustee Guidelines, setting forth a detailed description of services performed by each attorney and paraprofessional on behalf of the Committee.²²

31. Milbank also maintains computerized records of all expenses incurred in connection with the performance of professional services. A summary of the amounts and categories of expenses for which reimbursement is sought, as well as a breakdown of expenses by project category and detailed descriptions of these expenses, are attached hereto as Exhibit “C.”

III.

SUMMARY OF PROFESSIONAL SERVICES RENDERED

32. To provide an orderly summary of the services rendered on behalf of the Committee by Milbank, and in accordance with the U.S. Trustee Guidelines, the Fee Committee adopted the following billing categories in connection with these cases:

00100	General Case Administration
00200	General Case Strategy Meetings
00300	Project Monitoring/Court Calendar & Docket Maintenance
00400	Hearings and Court Communications
00500	Non-Working Travel
00600	Interested Parties Communications
00700	Communications with Debtors
00800	Unsecured Creditors Issues/Meetings/Communications/Creditors’ Committee
00900	Secured Creditors Issues/Meetings/Communications
01000	Equity Holders/Motions/Hearings/Communications

²² Due to the volume of the time and expense records, and consistent with the Interim Compensation Order, these materials are not being filed with the Court, but copies thereof have been delivered to (i) the Court; (ii) the U.S. Trustee; (iii) the Debtors; (iv) counsel for the Debtors; and (v) the Fee Committee.

01100	LBI/SIPC Coordination and Issues
01200	Cash Management
01300	Insurance Issues
01400	Employee/ERISA/Benefits/Pension Issues
01800	Tax Issues
01900	Corporate Governance
02000	Other General Business Operation Issues
02100	Intercompany Issues
02200	Data Preservation/Migration
02300	Real Estate Matters
02400	Private Equity
02500	Derivatives/Swap Agreement Issues
02600	Loans/Investments
02700	Domestic Bank and Related Regulatory Issues
02800	International Insolvency Issues
02900	Schedules/Statement of Financial Affairs
03000	Non-Derivative Automatic Stay/Safe Harbor Issues
03100	Miscellaneous Asset Sales/363 Issues
03200	Non-Derivative Executory Contracts/365 Issues
03300	DIP Financing
03400	Exit Financing
03500	Plan of Reorganization/Plan Confirmation/Plan Implementation
03600	Disclosure Statement/Solicitation/Voting
03700	Non-Derivative Claims Reconciliation, Estimation, Litigation, and Alternative Dispute Resolution and Bar Date Issues
03800	Other Bankruptcy Motions and Matters
03900	Non-Derivative Adversary Proceedings Preparation and Litigation
04000	Non-Bankruptcy Litigation
04100	Rule 2004 Issues
04200	Appeals
04300	US Trustee Related Issues
04400	SEC/DOJ Issues
04500	Examiner Issues
04600	Firm's Own Billing/Fee Applications
04700	Firm's Own Retention Issues
04800	Third Party Retention/Fee Application/Other Issues
04900	Tax Litigation

33. The following summary is intended only to highlight key services rendered by Milbank in certain project billing categories where Milbank has expended a considerable number of hours on behalf of the Committee, and is not meant to be a detailed description of all of the work performed. Detailed descriptions of the day-to-day services

provided by Milbank and the time expended performing such services in each project billing category are fully set forth in Exhibit “B” hereto. Such detailed descriptions demonstrate that Milbank was heavily involved in the performance of services for the Committee on a daily basis, including night and weekend work, often under extreme time constraints, to meet the needs of the Committee. The sheer magnitude of matters in these Chapter 11 Cases has required and continues to require substantial and continuing efforts on the part of the Committee and its professional advisors, including Milbank, to address the many complicated issues and problems that are presented by these extraordinary and complex cases.

A. General Case Administration

34. During the Tenth Interim Compensation Period, Milbank continued to maintain and undertake action in accordance with an elaborate protocol developed earlier in these Chapter 11 Cases for the organization and delegation of the substantial number of tasks engendered by Lehman’s chapter 11 process. The protocol is designed to ensure that the Committee is kept apprised of all aspects of the Chapter 11 Cases. The protocol also guarantees that all matters are addressed, without duplication of effort. Due to the highly complex nature of the Debtors’ cases, these tasks require knowledge, expertise, and input from a range of Milbank timekeepers, from paralegals to senior partners, all of whom have become intimately familiar with the issues and the parties in the Chapter 11 Cases.

35. Additionally, Milbank has established a system whereby all substantive court filings are reviewed to provide the Committee with a comprehensive summary and analysis of each material pleading filed in the Chapter 11 Cases. Milbank’s efforts in setting up efficient methods of administering the Committee’s needs ensure that the Committee has the information

necessary to effectively carry out its fiduciary responsibilities to the unsecured creditors of each of the Debtors through the conclusion of the Chapter 11 Cases.

B. Unsecured Creditors' Issues/Meetings/Communications/Creditors' Committee

36. During the Tenth Interim Compensation Period, the Committee held weekly telephonic meetings and an in-person meeting in connection with the in-person meetings with the Debtors and the new Board of Directors of LBHI. In addition, the Committee convened special telephonic meetings dedicated to discussing particular issues of import, most notably the Plan. Prior to each Committee meeting, Milbank prepared and distributed memoranda, presentations, and other materials for the Committee members' review and consideration. During the Committee meetings, Milbank discussed with Committee members and their counsel all significant matters arising during the Tenth Interim Compensation Period, in particular, the confirmation of the Plan, the Effective Date, and distributions to creditors, and assisted the Committee in formulating positions with respect to such issues.

37. Through Committee meetings, conference calls and numerous other communications with members of the Committee, Milbank has assisted the Committee in (i) fulfilling its obligations to unsecured creditors of each of the Debtors' estates, and (ii) making informed decisions regarding the multitude of issues that have arisen in the Chapter 11 Cases. Indeed, without such meetings and the advice furnished to it by attorneys with expertise in a variety of different practice areas, the Committee could neither function as a committee nor make the many decisions that its statutory role and fiduciary duties require it to make in connection with these cases.

C. Project Monitoring/Court Calendar & Docket Maintenance

38. During the Tenth Interim Compensation Period, Milbank continued to maintain internal filing, record-keeping, docket-monitoring, and calendaring systems to organize and track (i) pleadings filed in the Chapter 11 Cases, the SIPA Proceeding, and related adversary proceedings; (ii) ongoing projects; and (iii) upcoming deadlines. On a real-time basis, Milbank downloaded, consolidated, and organized pleadings to ensure efficient access. Milbank also monitored the dockets and summarized and circulated substantive pleadings to the Milbank team. These summaries enabled Milbank to stay abreast of ongoing developments in these cases, facilitated the assignment of projects and helped ensure that deadlines were not missed.

39. Additionally, Milbank maintained a comprehensive calendar of active matters in these cases. This calendar ensured that Milbank could effectively monitor and update the status of all pending matters, a resource that proved beneficial in responding to inquiries and discussing these matters with the Committee and other parties in interest. Milbank also maintained, and circulated to the Committee on a weekly basis, a calendar of upcoming motions, hearing dates, and other important deadlines in the Chapter 11 Cases.

D. Hearings and Court Communications

40. During the Tenth Interim Compensation Period, Milbank prepared for and appeared at each of the hearings conducted before this Court, including, among others, (i) numerous regularly scheduled omnibus hearings; (ii) hearings on claims-related matters; (iii) special hearings and case conferences; (iv) hearings in the SIPA Proceeding; (v) hearings in a wide variety of adversary proceedings arising out of the Chapter 11 Cases and the SIPA Proceeding; and (vi) hearings in related cases and litigations, including the chapter 11 cases of

the SunCal Debtors (as defined below) and a number of matters before the High Court of Justice for England and Wales (the “UK High Court”).

41. In advance of each hearing, Milbank conferred internally to address the issues presented by each motion or other substantive pleading and coordinate a response thereto. To that end, among other things, Milbank reviewed and analyzed documents, including correspondence and pleadings, conducted factual and legal research, and met with numerous parties to work toward the consensual resolution of any objections raised by the Committee or other parties in interest. Following each hearing, Milbank promptly advised the Committee of pertinent Court rulings and developments.

E. Interested Party Communications/Website/Lehman Team Hotline

42. In accordance with the Stipulation and Agreed Order Between the Debtors and the Official Committee of Unsecured Creditors Regarding Creditor Access to Information Pursuant to 11 U.S.C. §§ 105(a), 1102(b)(3) and 1103(c) [Docket No. 498], which the Court approved on October 1, 2008 (the “Creditor Information Protocol”), Milbank, on behalf of the Committee, continued to populate and maintain a public website (the “Committee Website”). The Committee Website contains a significant amount of content produced by Milbank, which is updated frequently and designed to provide information to creditors worldwide, including, among other things, (i) general information concerning the Chapter 11 Cases, including adversary proceedings and the SIPA Proceeding; (ii) highlights of significant events; (iii) a database of the Court’s memorandum decisions and opinions issued in the Chapter 11 Cases, adversary proceedings and the SIPA Proceeding; (iv) a listing of the orders granting the Debtors’ omnibus objections to claims, detailing the affected claims by claim number; (v) a case calendar; (vi) a catalogue of materials and important dates and deadlines related to the Disclosure

Statement, the Plan and the Effective Date; and (vii) answers to frequently asked questions, which are available in several languages.

43. The Committee Website also acts as a critical pathway for the dissemination of information between Milbank and the Debtors' creditors. For example, the Committee Website permits creditors to register to receive monthly reports and to submit inquiries directly to Milbank, as to which Milbank works in collaboration with the Debtors' counsel (as required by the Creditor Information Protocol) to provide responses.

44. During the Tenth Interim Compensation Period, Milbank continued to expend substantial time maintaining and improving the Committee Website. In addition, hundreds of creditors contacted Milbank via the Committee Website and telephonically with questions concerning the Chapter 11 Cases and, more specifically, inquiries concerning the proposed treatment of certain claims under the Debtors' Second Amended Plan, the Plan and the Debtors' omnibus claim objection process. In accordance with the Creditor Information Protocol, Milbank reviewed and responded to all such creditor inquiries.

45. Milbank also spent considerable time working with each of the *ad hoc* groups that formed during the Chapter 11 Cases, as well as with numerous individual creditors, to advance the objectives of various creditor constituencies, assist such creditors' understanding of critical issues in the Chapter 11 Cases, and negotiate resolutions of disputed issues. At the Court's direction, Milbank also frequently acted as an information "liaison" between the Debtors, these *ad hoc* groups, and other creditors.

F. Communications with Debtors

46. During the Tenth Interim Compensation Period, Milbank continued its frequent communication and exchange of correspondence with the Debtors' counsel regarding,

among numerous other issues, case administration, responses to pleadings, issues related to the Debtors' Second Amended Plan and the Plan, and negotiations with the administrators and trustees (the "Foreign Administrators") managing the affairs of the numerous proceedings (the "Foreign Proceedings") initiated by or against the Foreign Affiliates. Furthermore, Milbank prepared for and attended in-person meetings with the Committee members, the Debtors, and their respective professionals to, among other things, discuss the ongoing administration of the Chapter 11 Cases, the Debtors' emergence from chapter 11, and the confirmation and implementation of the Plan.

G. LBI/SIPC Coordination and Issues

47. During the Tenth Interim Compensation Period, Milbank devoted significant time to analyzing various aspects of LBI's claims reconciliation process including, in pertinent part, (i) monitoring and, where contested, analyzing, the SIPA Trustee's objections to claims; (ii) reviewing and making recommendations to the Committee with respect to stipulations to close out prepetition transactions between LBI and various counterparties; (iii) evaluating and making recommendations to the Committee regarding various motions and applications filed in the SIPA Proceeding (iv) reviewing and analyzing the SIPA Trustee's second motion requesting a certain allocation of its funds to LBI's creditors and customers; (v) participating in meetings between the Debtors and LBI regarding potential settlement options; and (vi) researching, analyzing and preparing a memorandum with respect to the Debtors' negotiations with LBI to reconcile outstanding intercompany claims between their estates and the Debtors' ultimate decision to enter into a global settlement with LBI. In addition, Milbank regularly participated in Court hearings related to the administration of the LBI estate on behalf of the Committee.

48. Specifically, much of Milbank's time analyzing LBI's claim reconciliation process was dedicated to a review of the SIPA Trustee's efforts to resolve certain outstanding claims not yet categorized by the SIPA Trustee (the "TBA Claims"). This review involved research and analysis of the legal issues implicated by the expunging of such claims. After analyzing the TBA Claims, Milbank prepared and filed, on behalf of the Committee, a statement with respect the SIPA Trustee's proposed resolution of the issue [Adv. Proc. No. 08-01420; Docket No. 4670]. During the Tenth Interim Compensation Period, Milbank researched additional issues raised by objections to the Trustee's motion to expunge the TBA Claims and drafted a memorandum analyzing the same for the Committee.

49. Milbank also began reviewing issues raised by the SIPA Trustee's second motion requesting a certain allocation of property of the LBI estate [Adv. Proc. No. 08-01420; Docket No. 4760] (the "Second SIPA Allocation Motion"). This involved multiple meetings among Milbank, the Committee's financial advisors, the SIPA Trustee, the Debtors and their respective counsel and financial advisors. Milbank also conducted comprehensive research with respect to various issues raised in the Second SIPA Allocation Motion and requested from the SIPA Trustee additional supporting documents regarding the same. After reviewing and analyzing the additional materials received from the SIPA Trustee, Milbank drafted a detailed memorandum presenting its analysis and recommendations to the Committee.

50. Finally, Milbank spent a significant amount of time working with the Debtors to address numerous inter-estate issues between the Debtors and LBI. Milbank and the Debtors' counsel worked closely to prepare for meetings with the SIPA Trustee and representatives of the LBI estate to discuss various issues related to administration of LBI and to reconcile the claims filed between the parties. Milbank analyzed multiple rounds of proposals

and counter-proposals submitted by the Debtors and the SIPA Trustee to reconcile such claims, which included analyzing the factual circumstances with respect to specific transactions between LBI and one or more of the Debtors and researching the various legal issues related to the treatment of claims under SIPA, the standards for determining the status of claims filed against a broker-dealer, and the contractual rights underlying certain of the claims at issue. In that connection, Milbank drafted a comprehensive memorandum analyzing for the Committee all of the above-mentioned issues concerning LBI and the Debtors' claims reconciliation efforts.

H. Insurance Issues

51. During the Tenth Interim Compensation Period, Milbank analyzed the Debtors' Motion Pursuant to Sections 105(a) and 363(b) of the Bankruptcy Code for Authorization to Implement the Defense Costs Fund (the "Defense Costs Motion") [Docket No. 22647]. Pursuant to the Defense Costs Motion, the Debtors sought authorization to utilize \$2 million previously authorized for use to reimburse directors with respect to costs incurred in connection with new claims asserted between May 2011 and the Effective Date for use to cover ongoing legal costs for directors of LBHI and officers of LAMCO Holdings LLC with respect to existing litigation after the Effective Date. Milbank reviewed the Defense Costs Motion, researched relevant legal issues and drafted a memorandum to the Committee analyzing the merits of the Defense Costs Motion and providing a recommendation with respect to the same. On behalf of the Committee, Milbank drafted an objection to the Defense Costs Motion [Docket No. 23178] indicating that the Committee opposed the Defense Costs Motion on the ground that the Debtors had failed to demonstrate a sound business justification therefor. To address the Committee's concerns, the Debtors filed a Revised Proposed Order that clarified that (i) the defense costs fund would not be replenished once it is exhausted, and (ii) any distributions

and/or entitlements that a covered person may have under the Plan with respect to any indemnification proofs of claim that he or she has filed against LBHI shall be reduced, on a dollar for dollar basis, by that amount advanced from the defense costs fund to such covered person and/or his or her designated counsel [Docket No. 23595]. On December 22, 2011, the Court entered an order approving the Defense Costs Motion [Docket No. 23660].

I. Tax Issues

52. During the Tenth Interim Compensation Period, Milbank analyzed and evaluated federal, state, local, and international tax issues relating to the Debtors' estates. A subcommittee (the "Tax Subcommittee") convened, as necessary, to address the myriad tax issues arising in the Chapter 11 Cases. In addition to attending meetings of the Tax Subcommittee, Milbank participated in the Committee's weekly telephonic meetings to: (i) inform the Committee of significant tax matters (e.g., the structure of the Plan, the status and substance of the Debtors' private letter ruling request from the Internal Revenue Service ("IRS") and related filings); (ii) obtain Committee input as to certain tax matters and settlements; and (iii) ascertain information that may be relevant to the tax analysis.

53. In addition, Milbank participated in weekly conferences with the Debtors' in-house tax department and outside counsel to discuss (i) the Debtors' ongoing business activities; (ii) the Debtors' tax compliance activities and preparedness; (iii) the progress of negotiations with the IRS, the Department of Justice, and state and local taxing authorities concerning tax audits by, and settlement discussions with, those authorities; (iv) certain tax issues with LBI's counsel; and (v) the draft IRS ruling regarding the tax consequences of the Plan.

54. Milbank also continued to review and analyze (i) tax issues related to the disposition of certain of the Debtors' assets; (ii) the Debtors' federal, state, local, and international tax exposures and potential refund claims; (iii) tax allocation issues among the Debtors, non-Debtor affiliates, and LBI; (iv) structural issues related to the Plan; and (v) the Debtors' request for a ruling from the IRS regarding the tax consequences of the Plan.

55. Finally, Milbank researched, prepared legal memoranda, and corresponded with the Debtors regarding (i) New York State settlement issues; (ii) the LBI/LBHI settlement agreement and tax reserve requirements; (iii) the effects of the Neuberger Berman tax opinion; (iv) trigger events for cancellation of indebtedness income; and (iv) the potential application of section 505 of the Bankruptcy Code to a determination as to the potential applicability of a withholding tax for distributions made pursuant to the Plan.

56. **Tax Litigation.** Milbank, on behalf of the Committee, continued to participate as intervenor in the Debtors' action against the United States (the "Government") for a tax refund relating to the "stock loan" transactions (the "Tax Litigation"), and undertook activities associated with representing the Committee's interests in that litigation. Milbank participated in the discovery process and analyzed various legal issues relevant to the litigation.

57. Milbank participated actively in negotiations between the Debtors and the Government concerning discovery issues and helped to broker a compromise with respect to the privileged treatment of the Debtors' tax reserve information, resolving a longstanding dispute between the Debtors and the Government. Milbank reviewed and commented on drafts of the agreement to ensure that the interests of the Debtors and their creditors would be protected in the compromise.

58. Milbank also conferred with the Debtors and the Government regarding the potential consolidation of the “stock loan” issue in the 2001 through 2004 tax years into the Tax Litigation, to avoid re-litigating the same issue with respect to the later tax years. The parties decided consolidation was an appropriate course of action and began working on satisfying the procedural prerequisites.

59. Finally, Milbank reviewed supplemental document productions by the Debtors and the Government, and discussed relevant documents with Debtors’ counsel. Milbank also conferred with the Debtors about upcoming depositions in the Tax Litigation and negotiated with the Debtors and the Government regarding protocols to be followed in depositions to be taken in the United Kingdom.

J. Intercompany Issues

60. During the Tenth Interim Compensation Period, Milbank continued to investigate the various intercompany issues raised by the Plan. These issues not only encompassed claims and settlements with the Foreign Affiliates, but also the ownership and allocation of assets among the Debtors.

61. **Bankhaus Claims Classification.** Lehman Brothers Bankhaus AG (“Bankhaus”) is a wholly-owned subsidiary of LBHI that was placed into an insolvency proceeding by the Frankfurt Local Court (*Amtsgericht*) on November 13, 2008. In January 2010, certain of the Debtors entered into a settlement agreement with Bankhaus (the “Settlement Agreement”) that, among other things, fixed the amount of the allowed claims that Bankhaus would have against LBHI and LCPI. Bankhaus subsequently assigned these claims to a third-party, which then filed a motion seeking the proper classification of such claims under the Plan. Because of the significant impact that such classification could have on unsecured creditor

recoveries, during the Tenth Interim Compensation Period, Milbank expended significant time researching and analyzing the terms of the Settlement Agreement and the terms of the Plan to assist the Committee's understanding of the proper classification of these claims. On behalf of the Committee, Milbank worked with the Debtors to come to a consensual resolution of this matter.

62. **Main Street Bondholders Settlement.** In addition, Milbank conducted research and analyzed issues in connection with the claims arising from a prepetition gas purchase agreement (the "GPA") that LBCS had entered into with Main Street Natural Gas Inc. ("Main Street"), pursuant to which Main Street prepaid LBCS over \$680 million for the delivery of natural gas. To finance this prepayment, Main Street issued a series of bonds with an aggregate face value of over \$700 million. LBHI had guaranteed LBCS's performance under the GPA. The holders of the bonds issued by Main Street (the "Main Street Bondholders") filed claims in the amount of \$769 million against LBCS and LBHI. After reviewing the terms of the GPA and the related guarantee and analyzing the relative strengths and weaknesses of the claims and objections thereto, Milbank participated in the settlement discussions between the Debtors and the Main Street Bondholders regarding the proper valuation of these claims. Such discussions culminated in a settlement agreement, in support of which the Committee filed a statement [Docket No. 22867], and which was approved by this Court on December 14, 2011 [Docket No. 23335].

63. **Intercompany Repurchase Agreements.** Finally, Milbank continued to examine the Debtors' treatment of claims arising in connection with the Debtors' prepetition intercompany repurchase agreements and the considerations affecting such treatment. In connection therewith, Milbank assessed the potential recharacterization of such claims as equity,

as well as defenses that could be asserted against such recharacterization. Milbank also evaluated issues with respect to valuation and alternatives to the Debtors' proposed treatment of intercompany claims.

K. Real Estate Matters

64. As reflected in the First Interim Fee Application, due to the size, complexity and potential for exposure, the Committee established a subcommittee (the "Real Estate Subcommittee") to evaluate issues relating to the Debtors' extensive real estate portfolio. During the Tenth Interim Compensation Period, the Real Estate Subcommittee held regular telephonic meetings to address and make recommendations to the full Committee with respect to issues related to the Debtors' real estate holdings in discrete assets (e.g., Archstone, Calvino, Excalibur, Hamilton Praedium, Innkeepers, LCOR, Moonlight Basin, Monument Realty, One Kansas City Place, ProLogis, Ritz Carlton Kapalua, Rosslyn, SunCal, TPG Austin, 116 Huntington and 425 Park Avenue) and work with the Debtors under previously approved protocols to maximize the value of the Debtors' real estate assets.

65. The Debtors' real estate portfolio includes commercial, residential and corporate interests in which the Debtors hold both debt and equity positions, often in the form of joint ventures to develop large commercial projects. During the Tenth Interim Compensation Period, Milbank continued to work closely with the Committee's financial advisors to assess whether the Debtors should continue to meet various real estate-related funding obligations and whether to invest additional funds in certain assets to increase the potential sale value. In addition, Milbank continued to evaluate the terms of the Debtors' proposed restructuring of certain debt facilities (e.g., the Calvino/Zwinger facility). In connection therewith, Milbank reviewed the Debtors' rights, obligations and exposures relative to joint venture partners,

borrowers, senior secured lenders, unsecured creditors and other third parties, to further analyze the potential consequences of the proposed restructurings or failures to fund capital calls on the Debtors' creditors. Milbank also participated in the consensual resolution of several outstanding real estate-related motions.

66. During the Tenth Interim Compensation Period, Milbank researched and drafted memoranda in connection with certain real estate matters, prepared and filed several pleadings in connection with real estate transactions requiring Court approval, and monitored legal proceedings related to the Debtors' real estate assets. Milbank also met regularly with the Debtors and the Debtors' advisors regarding how the Debtors should use their real estate assets to generate maximum value for the Debtors' creditors.

67. **Archstone**. In 2007, certain of the Debtors and their non-Debtor affiliates made equity investments and loans in connection with the leveraged buyout of Archstone-Smith Trust ("Archstone"), a publicly-traded real estate investment trust. The acquisition of Archstone was financed with more than \$16 billion in secured financing either assumed or provided by affiliates of the Debtors, affiliates of Bank of America, N.A ("Bank of America") and affiliates of Barclays Capital Real Estate Inc. ("Barclays" and, together with Bank of America, the "Banks" and, collectively with affiliates of the Debtors, the "Co-Sponsors"). The Co-Sponsors invested approximately \$4.8 billion in the aggregate in common equity of Archstone, with approximately \$2.4 billion attributable to the Debtors' indirect interests.

68. In January 2009, the Court authorized LBHI, LCPI and the Banks to commit an additional aggregate amount of \$485 million, plus available letters of credit, as new priority financing to provide Archstone with customary operating liquidity [Docket No. 2677]. The Court subsequently approved a more comprehensive restructuring on May 25, 2010 (and

modifications thereto, approved on November 18, 2010) [Docket No. 12894]. As part of the modified restructuring, the Co-Sponsors entered into an agreement, dated as of December 1, 2010 (the “Bridge Equity Agreement”), pursuant to which, if any Co-Sponsor attempted to transfer its interest in Archstone, the other Co-Sponsors would have a right of first offer (the “ROFO”) to purchase such interests consistent with the terms of said agreement. At the beginning of the Tenth Interim Compensation Period, Lehman held a 47% ownership interest in Archstone, Bank of America held a 28% ownership interest, and Barclays held a 25% ownership interest.

69. During the Tenth Interim Compensation Period, the Debtors received the Banks’ ROFO notice, which provided, in relevant part, for Bank of America and Barclays to transfer approximately 50% of each of their interests in Archstone (approximately 26.5% of total ownership in Archstone), comprised of equity owned, partnership interests, governance interests, membership interests, and voting interests (collectively, the “Transferred Securities”) to Equity Residential – a Maryland real estate investment trust and Archstone’s biggest competitor – for an aggregate purchase price of \$1.325 billion, subject to certain adjustments for additional expenses. Pursuant to the terms of the Bridge Equity Agreement, the Debtors had the right to purchase the Transferred Securities on the terms set forth on the Banks’ ROFO notice, which right had to be exercised by December 16, 2011. In addition, Lehman had 50 days from receipt of the Banks’ ROFO notice to deliver a binding notice of its decision to exercise the ROFO or tag-along rights and deposit an amount equal to 5% of the aggregate price for the Transferred Securities.

70. The Real Estate Subcommittee held weekly meetings regarding the status of Archstone, one of the Debtors’ largest and most valuable assets. Milbank and the

Committee's financial advisors were also actively involved in negotiations relating to the Archstone portfolio and were in constant contact with the Debtors and their advisors regarding whether Lehman should exercise the ROFO or pursue another course of action. Milbank reviewed and evaluated numerous internal analyses, valuation models and other materials assessing the optimal use of the Archstone assets. After extensive research, valuation and analysis, and lengthy and detailed deliberations among Milbank, the Committee's financial advisors, and the Committee, Milbank advised the Committee that the exercise of the ROFO was within the Debtors' sound business judgment and recommended that the Committee affirmatively support the Debtors' intent to exercise the ROFO. In addition, Milbank assisted in the Committee's determination that the alternative course of action – foregoing the ROFO and allowing Equity Residential to purchase half of Barclays' and Bank of America's interests in Archstone for a price that was below market-value – was an inferior option that would not maximize the value of the Debtors' estates for all unsecured creditors. Accordingly, Milbank drafted a statement in support of the Debtors' intent to exercise the ROFO [Docket No. 24121] and the Court ultimately approved the Debtors' exercise of the ROFO [Docket No. 24197]

71. **SunCal**. SunCal is a collection of large-scale residential and commercial real estate projects in California. Prior to the Petition Date, Lehman ALI, LCPI and certain other non-Debtor affiliates of LBHI provided debt financing for the SunCal projects totaling over \$2 billion. As a result of its financial difficulties, SunCal and several affiliates became debtors in possession (collectively, the "**SunCal Debtors**") in the United States Bankruptcy Court for the Central District of California (the "**SunCal Cases**") and the Debtors filed a proof of claim against certain of the SunCal Debtors in the SunCal Cases.

72. Most significantly, during the Tenth Interim Compensation Period, Milbank participated telephonically in status conferences and the SunCal Debtors' confirmation hearing. After each conference or hearing, Milbank reported back to the Committee regarding significant issues arising from the SunCal Debtors' proceedings. The SunCal Debtors' plans of reorganization were confirmed during the Tenth Interim Compensation Period.

73. In addition, during the Tenth Interim Compensation Period, Milbank reviewed and analyzed, *inter alia*, the following pleadings related to the SunCal Debtors, and provided recommendations to the Committee with respect thereto: (i) Debtors' Motion Pursuant to Sections 105 and 363 of the Bankruptcy Code and Federal Rules of Bankruptcy Procedure 6004 and 9019 for Approval of that Certain Settlement Among the Lehman Parties and the SunCal Parties [Docket No. 21181] and (ii) numerous Stipulations Between Lehman Commercial Paper Inc. and Certain SunCal Voluntary Debtor Entities Granting Limited Relief from the Automatic Stay [Docket Nos. 22852, 23151, 23184, 23473 and 25700].

L. Private Equity

74. As reflected in the First Interim Fee Application, the Committee established a subcommittee (the "Private Equity Subcommittee") to monitor and analyze developments with respect to the Debtors' private equity assets. During the Tenth Interim Compensation Period, the Private Equity Subcommittee continued to review specific issues surrounding the Debtors' private equity portfolio with a view toward helping the Debtors maximize the value of such portfolio for the benefit of all creditors. Specifically, Milbank worked closely with the Debtors, the Debtors' professionals and the Committee's financial advisors regarding these assets.

75. Most significantly, Milbank reviewed a transaction pursuant to which LBHI sought authority to monetize its equity interest in Neuberger Berman Group LLC (“Neuberger Berman”). Milbank fully analyzed and evaluated the terms of the proposed transaction and, based on such detailed analysis, determined that the proposed transaction was fair, reasonable and within the Debtors’ sound business judgment. Accordingly, Milbank filed a statement in support of authorizing the Debtors to monetize their equity interests in Neuberger Berman [Docket No. 23212], which the Court ultimately approved [Docket No. 23348].

M. Derivatives Issues

76. As reflected in the First Interim Fee Application, the Committee established a subcommittee (the “Derivatives Subcommittee”) to evaluate issues and develop value-maximizing strategies relating to the Debtors’ valuable derivatives portfolio. During the Tenth Interim Compensation Period, Milbank continued to conduct regular meetings with the Derivatives Subcommittee to address and, where appropriate, make recommendations to the Committee with respect to specific issues concerning the Debtors’ portfolio of derivatives positions.

77. **Derivatives ADR.** On September 17, 2009, this Court entered an order approving the Debtors’ Motion Pursuant to Section 105(a) of the Bankruptcy Code and General Order M-143 for Authorization to Implement Alternative Dispute Resolution Procedures for Affirmative Claims of Debtors Under Derivative Contracts (the “Derivatives ADR Order”) [Docket No. 5207], pursuant to which the Committee, the Debtors and derivatives counterparties mediate disputes arising from the closing out of the Debtors’ “in-the-money” derivatives portfolio. During the Tenth Interim Compensation Period, Milbank continued to work closely with the Debtors to review and respond to counterparty notices filed under the Derivatives ADR

Order, and to evaluate settlement proposals arising under the alternative dispute resolution process. In addition, Milbank participated in mediations on behalf of the Committee or Derivatives Subcommittee, as applicable. In preparation for each such mediation, Milbank conducted extensive legal and factual research on the issues in dispute and drafted numerous memoranda, including memoranda to the Derivatives Subcommittee, describing such issues and seeking approval of minimum settlement amounts. Such efforts have been instrumental in helping the Debtors achieve settlements in a total of 194 matters involving 216 counterparties, as of April 17, 2012, resulting in the recovery of over \$1.1 billion into the Debtors' estates.

78. **Derivatives Litigation.** Milbank also continued to address issues related to, and provided recommendations regarding, the highly complex derivatives-related adversary proceedings commenced by and against the Debtors. To that end, Milbank devoted resources to analyzing derivative contracts and other related transaction documents, monitoring and participating actively in the derivatives-related adversary proceedings, communicating with the Debtors' counsel and the Committee's financial advisors, and developing and evaluating strategies to monetize complicated derivative transactions for the benefit of unsecured creditors of each of the Debtors' estates. In particular, Milbank researched and analyzed issues presented in, and advised the Committee or Derivatives Subcommittee (as applicable) with respect to, certain contested matters and adversary proceedings, or potential settlements related thereto, including, among others: (i) the Debtors' objection to Proof of Claim No. 66099 filed by Syncora Guarantee, Inc.; (ii) *Wong v. HSBC USA Inc.*, S.D.N.Y. Case No. 10-cv-00017, Bankr. Ct. Adv. Proc. No. 09-01120; (iii) *Nomura Global Financial Products Inc. v. Lehman Brothers Special Financing Inc.*, Bankr. Ct. Adv. Proc. No. 09-01061; (ii) *Michigan State Housing Development Authority v. Lehman Brothers Derivative Products Inc., et al.*, Bankr. Ct. Adv.

Proc. No. 09-01728; and (iv) UK proceedings involving Belmont Park Investments Pty Limited, Carlton Communications Ltd., and Credit Agricole Corporate and Investment Bank (f/k/a Calyon).

79. **Derivatives Settlements.** On December 16, 2008, this Court entered an order to establish procedures for the settlement or assumption and assignment of prepetition derivative contracts (the “December Order”) [Docket No. 2257], pursuant to which the Committee, the Debtors and derivatives counterparties negotiate outstanding derivative and guarantee claims of the counterparties or amounts due to the Debtors as they may arise from the closing out of the Debtors’ derivatives portfolio. On March 11, 2009 and April 22, 2010, respectively, this Court entered further orders authorizing the Debtors to grant first priority liens in cash collateral posted in connection with the hedging transactions entered into through certain futures and prime brokerage accounts (the “Hedge Order”) [Docket No. 3047], and to purchase and sell notes issued by certain special purpose vehicles that are party to transactions with certain Debtors (the “SPV Notes Purchase Order”) [Docket No. 8596].

80. Furthermore, as described in the Disclosure Statement, the Debtors engaged in negotiations with a number of their largest derivatives counterparties regarding a common approach for settlement of their derivatives claims pursuant to uniform and transparent methodologies (the “Derivatives Framework”). Multiple attendant negotiations and accompanying settlement agreements had resolved, as of August 31, 2011, approximately \$9.6 billion of asserted derivatives claims and \$6.2 billion of asserted derivatives guarantee claims.

81. Pursuant to the December Order, the Hedge Order, and the SPV Notes Purchase Order, and taking into account the Derivatives Framework, during the Tenth Interim Compensation Period, Milbank continued to work closely with the Debtors to review claims or

receivables, hedge proposals, and proposed note purchases, and to arrive at negotiated settlements or transactions with respect thereto. To that end, Milbank devoted resources to analyzing derivative contracts and other related transaction documents, communicating with the Debtors' counsel and the Committee's financial advisors, and developing and evaluating strategies to monetize complicated derivatives transactions for the benefit of unsecured creditors of each of the affected Debtors' estates. Milbank also expended time describing such analyses and recommendations in presentations and memoranda to the Committee or Derivatives Subcommittee, as applicable.

82. Notably, Milbank analyzed the Debtors' unresolved derivative contracts, monitoring the Debtors' triage of negotiations and settlements before and after the confirmation of the Plan, and formulated strategies to maximize returns to the unsecured creditors in respect of unresolved derivative contracts both leading up to, and looking forward from, confirmation. In connection therewith, Milbank researched and analyzed novel issues regarding various sections of the ISDA Master Agreement and their intersection with the Bankruptcy Code and certain foreign laws and regulations. Milbank also advised the Committee or Derivatives Subcommittee, as applicable, with respect to the same and related ongoing settlement negotiations, describing such analyses and recommendations in presentations and memoranda.

N. Loans/Investments

83. As reflected in the First Interim Fee Application, the Committee established a subcommittee (the "Loan Book Subcommittee") to review and analyze issues related to the Debtors' portfolio of commercial loans. During the Tenth Interim Compensation Period, the Loan Book Subcommittee reviewed and considered the proposed termination of the Spruce CCS, Ltd. securitization structure. Specifically, Milbank reviewed and analyzed the

Debtors' Motion Pursuant to Sections 105 and 363 of the Bankruptcy Code for Approval of the Termination of the Spruce CCS, Ltd. Securitization [Docket No. 20338]. In connection therewith, Milbank researched relevant legal issues, drafted a memorandum to the Committee analyzing the merits of the motion and provided a recommended course of action to the Committee.

84. In addition, Milbank continued to evaluate various options proposed by the Debtors to facilitate the management and monetization of the Debtors' loan book portfolio. Milbank reviewed and considered, among other things, (i) factual, financial and legal issues related to the assumption or rejection of the Debtors' loan agreements; (ii) the circumstances under which an asset transfer transaction would be anticipated to give rise to a true sale of loan interests; (iii) the likelihood that a final court order approving the Debtors' proposed transfer could be modified or reversed upon reconsideration or appeal; and (iv) other issues related to the potential management of the Debtors' loan portfolio. Milbank provided the Committee with its analyses of the Debtors' proposed transfer and the potential implications such transfer would have on the Debtors' estates. In connection therewith, Milbank analyzed the Debtors' restructuring plan for Edam Acquisition Holdings BV, a leading global independent TV production company to which LCPI UK held approximately €51.3 million in senior debt exposure. Milbank also continued to monitor the Debtors' termination of unfunded loan commitments and loan restructurings as reported by the Debtors in accordance with that certain Order Pursuant to Sections 105(a) and 363(b) of the Bankruptcy Code and Bankruptcy Rule 9019 Authorizing the Establishment of Procedures to Terminate Unfunded Commitments and Restructure Corporate Loan Agreements, entered on June 3, 2009 [Docket No. 3753].

85. Finally, Milbank continued to work with the Committee's financial advisors to present the legal and financial implications of the Debtors' loan book transactions to the Loan Book Subcommittee in order to facilitate its recommendations and responsive courses of action to the full Committee. To that end, the Loan Book Subcommittee convened meetings to discuss and formulate recommendations regarding all outstanding loan book matters.

O. Domestic Bank and Related Regulatory Issues

86. Milbank continued to expend time in connection with analyzing issues related to Woodlands Commercial Bank ("Woodlands") and Aurora Bank FSB ("Aurora" and, together with Woodlands, the "Banks"), which are overseen by the Office of Thrift Supervision (the "OTS") and the Federal Deposit Insurance Company (the "FDIC" and, together with the OTS, the "Regulators"). Throughout the Chapter 11 Cases, the Debtors and the Committee's professionals have sought to improve the capital levels at each of the Banks to satisfy regulatory requirements, avoid potential seizures and liquidations by the Regulators, and facilitate the resumption of depository functions at the Banks to preserve and maximize value. Accordingly, Milbank worked closely with the Debtors and their advisors to finalize the terms of settlements among the Debtors and the Banks to achieve the Regulators' approval to resume normal profit-generating banking and lending operations.

87. During the Tenth Interim Compensation Period, Milbank continued to work with the Committee's financial advisors, the Debtors and the Debtors' bankruptcy and regulatory counsel concerning implementation of the settlements. Milbank attended multiple telephonic meetings to discuss issues surrounding such implementation, which included, without limitation, mortgage foreclosure issues associated with the sale of Aurora and its subsidiaries and the wind-down of Woodlands.

P. International Insolvency Matters

88. During the Tenth Interim Compensation Period, Milbank continued to monitor and analyze issues regarding the Foreign Proceedings. Specifically, Milbank attorneys and paraprofessionals across various jurisdictions continued to collaborate with each other, the Debtors' counsel and the Foreign Administrators regarding the status of major issues among the Debtors and certain of the Foreign Affiliates and potential settlements thereof. Milbank also reviewed and analyzed status reports published by the Foreign Administrators – including reports published by the administrators of Lehman Brothers Securities N.V., Lehman Brothers International (Europe) (“LBIE”), Lehman Brothers Treasury Co. B.V., and Lehman Brothers Finance AG (“LBF”) – and other publicly available information to keep the Committee informed with respect to, among other things, asset recoveries and claims reconciliation. Based on such analyses, Milbank provided regular updates to the Committee regarding the status of the Foreign Proceedings, and their impact on the Debtors and the overall recoveries of the Debtors' creditors.

89. Furthermore, Milbank worked closely with the Debtors' counsel and the Committee's financial advisors concerning the development and implementation of numerous settlement agreements with the Foreign Affiliates located in the UK, Hong Kong, Japan, the Netherlands, Luxembourg, and Bermuda. In connection therewith, Milbank reviewed and commented on numerous drafts of the settlement agreements, researched relevant factual and legal issues implicated by such review, communicated regularly with the Committee's financial advisors and Debtors' counsel, and presented the settlements and legal issues to the Committee. Milbank and the Committee's financial advisors prepared comprehensive analyses describing the terms and issues of each settlement. In each such instance, based on the foregoing analyses

and discussions with the Committee, the Committee concluded that the settlements were in the best interests of the Debtors and supported the Debtors' entry into such settlements.

90. **UK Issues.** During the Tenth Interim Compensation Period, Milbank monitored and discussed the implications with the Committee of the following ongoing litigation proceedings in the UK: (i) the appeal of the UK High Court's decision holding that any client whose money has not been segregated by a Financial Services Authority regulated firm in accordance with Chapter 7 of its Client Assets Sourcebook will, upon the firm's insolvency, be unable to assert a claim against the pool of segregated money; and (ii) the appeal of the UK High Court's decision holding that Financial Support Directives should be treated as an "expense" of a company in administration and consequently rank in priority to the claims of all other unsecured creditors. Milbank also reviewed and analyzed for the Committee the Sixth Progress Report issued by PricewaterhouseCoopers as joint administrators of LBIE.

Q. Non-Derivative Automatic Stay/Safe Harbor Issues

91. During the Tenth Interim Compensation Period, Milbank reviewed numerous motions filed by parties in interest seeking to lift the automatic stay in order to enforce various contractual agreements or otherwise exercise rights against the Debtors' estates.

92. Specifically, Milbank analyzed lift stay motions filed by (i) the Estate of Fannie Marie Gaines; (ii) Michael A. Couch and Melissa A. Couch; (iii) the Setai Group, LLC, NC Land Corporation, Jonathan J. Breene, John P. Conroy, and Setai (Turks & Caicos) Ltd; and (iv) Benisasia Investment and Properties Limited. In each case, Milbank reviewed the motion, researched relevant legal issues, and drafted a memorandum to the Committee analyzing the merits of the motion and providing a recommended course of action with respect thereto.

93. Milbank also analyzed the motion of Turnberry/Centra Sub, LLC, Turnberry/Centra Office Sub, LLC, Turnberry Retail Holding, L.P., Jacquelyn Soffer, and Jeffrey Soffer (collectively, the “Turnberry Plaintiffs”) for relief from the automatic stay [Docket No. 19591] (the “Turnberry Motion”). On behalf of the Committee, Milbank drafted a joinder in the Debtors’ objection [Docket No. 20790] to the Turnberry Motion indicating the Committee’s agreement with the Debtors that (i) relief from the automatic stay should be denied because the Turnberry Plaintiffs had failed to demonstrate that requisite cause therefor existed under the controlling Sonnax precedent and (ii) the Turnberry Plaintiffs’ request for this Court’s abstention from adjudicating the adversary proceeding in favor of a Nevada court should be denied because no state court action was pending in Nevada. On October 25, 2011, the Debtors and the Turnberry Plaintiffs filed a stipulation whereby the Turnberry Plaintiffs agreed to withdraw the Turnberry Motion [Docket No. 21249].

94. **Motion to Enforce the Automatic Stay.** Milbank also analyzed the motion of the SIPA Trustee for an order enforcing the automatic stay and the stays imposed by the order commencing the SIPA proceeding and compelling payment of amounts payable by Deutsche Bank AG [Docket No. 4688]. Milbank reviewed the motion, researched relevant legal issues, drafted a memorandum to the Committee analyzing the merits of the motion and provided a recommended course of action to the Committee.

R. Plan of Reorganization/Plan Confirmation/Plan Implementation

95. The Committee, as one of the two principal fiduciaries in the Chapter 11 Cases, was instrumental in developing, together with the Debtors, a chapter 11 plan construct that is fair and equitable to all the diverse constituents in the Chapter 11 Cases, and assuring, through the numerous settlements integrated into the Plan, that the Plan garnered the support of

most of the Debtors' creditors. Over the course of the past three years, the Committee, with the assistance of its advisors, has evaluated the claims, factual contentions and legal theories of all key constituencies in the Chapter 11 Cases, and has analyzed numerous recovery scenarios and conducted frequent meetings with individual creditors and various *ad hoc* creditor groups to better understand their respective views. In addition, the Committee developed its own legal theories and strategies regarding, among other matters, the appropriate allocation of value distributable under the Plan to various classes of creditors. In that connection, the Committee reviewed and analyzed such issues as substantive consolidation, intercompany claims re-characterization, and the enforceability of guarantees, all of which had the potential effect of reallocating value from one group of creditors to another. In so doing, the Committee brought to bear a comprehensive knowledge of each Debtor's assets and claims pool, as well as a global perspective on the key value drivers, each acquired as a result of the Committee's immersion in every aspect of the Chapter 11 Cases.

96. The Committee's perspective on the issues confronting, and the options available to, the Debtors allowed it to become, together with the Debtors, a principal architect of a plan construct that achieved the most fair and equitable result for creditors available under the circumstances. The centerpiece of such construct was a global settlement of the numerous critical issues, including the risk of substantive consolidation of the Debtors' estates and those of its affiliates, the potential re-characterization of intercompany balances between LBHI and certain other Debtors, the allowed amount of claims among the Debtors and the Foreign Affiliates, the proper allocation among the Debtors of the costs and expenses of administering the Chapter 11 Cases, and the Debtors' ownership rights to certain assets, through a reallocation of value among the various affected Debtors. This concept was included in all iterations of the

chapter 11 plan for the Debtors on which the Committee and the Debtors collaborated, beginning with the Debtors' First Amended Plan filed on January 25, 2011, and culminating with the Plan. To preserve this critical concept, during the Tenth Interim Compensation Period, the Committee worked with the Debtors to forge the various settlements embodied in the Plan.

97. **The Plan**. During the Tenth Interim Compensation Period, Milbank continued to work on the implementation of the corporate governance provisions of the Plan, which provided for, among other things, the formation of a committee (the "Director Selection Committee") to select the post-Effective Date board of directors of LBHI. In that connection, Milbank convened various meetings relating to the formation and mandate of the Director Selection Committee and aided its members in the execution of their duties under the terms of the Plan.

98. Milbank also devoted significant time and effort to the process for confirmation of the Plan. In connection with Plan confirmation, Milbank (i) reviewed and commented on the documents contained in the Plan Supplement filed in connection with the Plan; (ii) reviewed and analyzed numerous objections to confirmation that were filed against the Plan and consulted with the Debtors on responses to such objections; and (iii) researched several legal elements essential to confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code and other applicable law. Milbank, on behalf of the Committee, filed the Statement of Official Committee of Unsecured Creditors (i) in Support of Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors and (ii) in Response to Objections to Such Plan [Docket No. 22773]. Milbank's efforts played a part in the Court's confirmation of the Plan on December 6, 2011.

99. During the Tenth Interim Compensation Period Milbank, together with the Committee's other professionals, prepared and made a comprehensive presentation to the new Board of Directors of LBHI, which addressed, among other things, the Debtors' various asset categories, claims management and mitigation, the administration of the SIPA proceeding of LBI, outstanding litigation, and tax issues.

100. After the Plan was confirmed, Milbank continued to work to ensure that its terms were implemented and distributions to creditors were effected and maximized. In that connection, Milbank reviewed and analyzed LBHI's Motion for Authority to Use Non-Cash Assets in Lieu of Available Cash as Reserves for Disputed Claims Pursuant to Section 8.4 of the Debtors' Confirmed Joint Chapter 11 Plan [Docket No. 24726] (the "Reserve Motion"). Milbank researched relevant legal issues, drafted a memorandum to the Committee analyzing the merits of the Reserve Motion, and provided a recommended course of action to the Committee. On behalf of the Committee, Milbank drafted a statement in support of the Reserve Motion [Docket No. 25546] indicating the Committee's agreement with the Debtors that the Reserve Motion reflected a mechanism by which holders of allowed claims would receive the maximum permissible distribution under the Plan, while protecting the rights of other claimants. On February 22, 2012, the Court entered an order approving the Reserve Motion [Docket No. 25641].

S. Claims Analysis

101. **Claims Database.** Milbank continued, during the Tenth Interim Compensation Period, to refine the database of the Debtors' and certain of the Foreign Affiliates' debt offering documents (the "Database") that was created during the First Interim Compensation Period. Milbank continued to use the Database to develop and present summary

forensic capital structure information to the Committee and its advisors, as well as to answer individual queries from the Committee and the public about specific Lehman debt instruments. The Database is used by Milbank and the Committee's financial advisors on a regular basis to understand the Debtors' and certain Foreign Affiliates' capital structures, review proofs of claim, establish a basis upon which to determine and validate claim amounts, and analyze substantive consolidation, intercompany, preference, seniority and other potential issues. Access to the Database has proven invaluable to the Committee and its advisors, particularly with respect to the matters related to the claims reconciliation process and the Plan.

102. **OMX Claims Objection.** On November 10, 2011, LBHI, the Committee, Boise Land & Timber II, LLC ("Boise"), OMX Timber Finance Investments II, LLC ("OMX"), Wells Fargo Bank Northwest, N.A., and certain financial institutions and funds entered into a stipulation (the "Stipulation") concerning the proof of claim filed by OMX on September 18, 2009 [Claim No. 17120] (the "OMX Claim") and the disputed portion of the proof of claim filed by Boise on April 17, 2009 [Claim No. 3813] (the "Boise Claim"). The Court approved the Stipulation on December 14, 2011 [Docket No. 23339]. Milbank reviewed and analyzed the issues raised in connection with the Stipulation and subsequently filed, on behalf of the Committee, a preliminary objection to the OMX Claim and the Boise Claim asserting, among other things, that (i) LBHI has no liabilities under the guaranty at issue because OMX has not served demand notices on LBHI (except to the extent notices may have been served in violation of the automatic stay); and (ii) even if the Court permits OMX to trigger LBHI's obligations under the guaranty, the OMX Claim is duplicative of the allowed portion of the Boise Claim [Docket No. 25925]. Discussions among OMX, Boise and Milbank regarding this preliminary objection remain ongoing.

103. **Estimation of Claims.** Milbank reviewed and analyzed the Debtors' Motion Pursuant to Section 8.4 of the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and Its Affiliated Debtors and Sections 105(a), 502(c) and 1142(b) of the Bankruptcy Code to Estimate the Amounts of Claims filed by Indenture Trustees on Behalf of Issuers of Residential Mortgage-Backed Securities for Purposes of Establishing Reserves (the "**RMBS Motion**") [Docket No. 24254]. On behalf of the Committee, Milbank drafted a statement in support of the RMBS Motion [Docket No. 24598] indicating the Committee's agreement with the Debtors that in order to expedite distributions to unsecured creditors and to make the amount of the initial distribution meaningful, it was imperative that the Court estimate the identified mortgage-backed security claims for the purposes of establishing appropriate reserves. On February 22, 2012, the Court entered an order approving the RMBS Motion [Docket No. 25643].

104. Milbank also reviewed and analyzed the Debtors' Motion Pursuant to Section 8.4 of the Modified Third Amended Chapter 11 Plan of Lehman Brothers Holdings Inc. and Its Affiliated Debtors to Estimate the Amount of Disputed Claims filed by Lehman Brothers Finance AG (In Liquidation) for Purposes of Establishing Reserves (the "**LBF Motion**") [Docket No. 24253]. On behalf of the Committee, Milbank drafted a statement in support of the LBF Motion [Docket No. 24611] indicating the Committee's agreement with the Debtors that the Court should estimate certain claims filed by LBF (the "**LBF Claims**") for the purpose of establishing reserves so that proper distributions could be made to the Debtors' unsecured creditors. On January 26, 2012, the Court ruled that it would estimate the LBF Claims at \$3 billion for purposes of the reserves. See Transcript of Hr'g at 46. In connection therewith, Milbank prepared a memorandum for the Committee that provided an overview of the claims

filed by LBF against LBHI and LBSF as well as an analysis of the primary outstanding legal issues that may affect the LBF Claims.

105. **Omnibus Claims Objections.** During the Tenth Interim Compensation Period, Milbank reviewed and analyzed the Debtors' omnibus objections to claims, and spoke regularly with the Debtors and their counsel regarding such objections. In that connection, Milbank researched and analyzed legal issues and responded to various creditor inquiries regarding objections to such creditors' claims. Specifically, Milbank analyzed various discrete issues that arose in connection with the Debtors' omnibus objections, including the classification of claims arising from Lehman's issuance of "restricted stock units" to its employees and the validity of the omnibus proofs of claim filed by the indenture trustees to certain residential mortgage-backed securities transactions.

106. In connection therewith, Milbank reviewed and analyzed the Debtors' Seventy-Third Omnibus Objection to Claims (To Reclassify Proofs of Claim as Equity Interests) [Docket No. 13295]; One Hundred Eighteenth Omnibus Objection to Claims (To Reclassify Proofs of Claim as Equity Interests) [Docket No. 15666]; One Hundred Thirtieth Omnibus Objection to Claims (To Reclassify Proofs of Claim as Equity Interests) [Docket No. 16115]; One Hundred Thirty-First Omnibus Objection to Claims (To Reclassify Proofs of Claim as Equity Interests) [Docket No. 16116]; One Hundred Thirty-Third Omnibus Objection to Claims (To Reclassify Proofs of Claim as Equity Interests) [Docket No. 16530]; One Hundred Thirty-Fourth Omnibus Objection to Claims (To Reclassify Proofs of Claim as Equity Interests) [Docket No. 16532]; One Hundred Thirty-Fifth Omnibus Objection to Claims (To Reclassify Proofs of Claim as Equity Interests) [Docket No. 16808]; and One Hundred Seventy-Sixth

Omnibus Objection to Claims (To Reclassify Proofs of Claim as Equity Interests) [Docket No. 19392] (collectively, the “RSU Objections”).

107. On behalf of the Committee, Milbank drafted a statement in support of the RSU Objections [Docket No. 23604] indicating that the Committee supported the relief requested in the RSU Objections and agreed with the Debtors that the claims (the “RSU Claims”) asserted with respect to restricted stock units or contingent stock awards, under section 510(b) of the Bankruptcy Code, should have the same priority as LBHI’s common stock. On December 21, 2011, after a lengthy hearing, the Court ruled that the Debtors must amend the RSU Objections to address the issues raised at the hearing and thereafter engage in a dialogue with, among others, those claimants who were represented by counsel at the hearing for the purpose of developing a set of procedures so that a record could be established. See Transcript of Hr’g at 127-28.

108. **Structured Securities Valuation Motion.** Prior to the Tenth Interim Compensation Period, the Court granted the Debtors’ Amended Motion Pursuant to Sections 105(a) and 502(b) of the Bankruptcy Code and Bankruptcy Rule 9019 for Approval of Procedures for Determining the Allowed Amount of Claims Filed Based on Structured Securities Issued or Guaranteed by Lehman Brothers Holdings Inc. [Docket No. 19120], which allowed the Debtors to implement a methodology to value claims arising from certain structured securities issued or guaranteed by LBHI (the “Structured Securities”). During the Tenth Interim Compensation Period, Milbank, together with FTI, continued to work with the Debtors to resolve outstanding issues regarding the valuation of the Structured Securities claims.

T. Other Bankruptcy Motions and Matters

109. On August 31, 2011, Milbank prepared and filed a motion with the Court

seeking authority to prosecute and, if appropriate, settle causes of action on behalf of LCPI [Docket No. 19622] (the “STN Motion”). Through the STN Motion, the Committee sought authorization to prosecute LCPI’s loan elevation avoidance action proceedings. This Court granted the STN Motion on September 15, 2011 [Docket No. 20019]. During the Tenth Interim Compensation Period, Milbank continued to review and evaluate the transactional documents relating to the loan elevations, and correspond with the defendants regarding litigation and/or settlement intentions. In that connection, Milbank analyzed the claims and defenses against each of the loan elevation defendants and developed settlement constructs for each.

U. Non-Derivative Adversary Proceedings Preparation and Litigation

110. During the Tenth Interim Compensation Period, Milbank researched and prepared memoranda regarding the claims and issues raised by a wide range of pending and potential lawsuits and settlements impacting the Debtors’ estates. Milbank also held teleconferences and meetings, both internally and with the Debtors, and provided regular updates to the Committee regarding numerous adversary proceedings related to the Chapter 11 Cases. In preparation of such teleconferences and meetings, Milbank drafted various presentation materials and analyzed issues which were related to the Chapter 11 Cases and material to the Committee’s interests.

111. Excluding cases in which the Committee’s interests are represented by conflicts counsel, Milbank monitored developments in and provided updates in the form of reports and presentations to the Committee with respect to (i) all pending and potential adversary proceedings commenced, or to be commenced, in this Court; (ii) pre-petition lawsuits commenced against the Debtors and pre- and post-petition lawsuits against non-Debtor affiliates, officers, directors, and related parties; (iii) litigation issues similar to those raised, or

to be raised, in the Chapter 11 Cases; and (iv) contested matters in the Chapter 11 Cases (collectively, the “Monitored Matters”). When appropriate and directed by the Committee, Milbank intervened in the Monitored Matters, prepared pleadings, and participated in oral arguments and other proceedings with respect to the Monitored Matters on the Committee’s behalf.

112. In connection with the Monitored Matters, Milbank reviewed and analyzed proposed settlement agreements and advised the Committee regarding the same. More specifically, Milbank reviewed and analyzed proposed motions related to the Debtors’ various director and officer insurance policies and advised the Committee regarding the same. Milbank also participated in numerous settlement negotiations, hearings, conferences and mediations with respect to the Monitored Matters on behalf of the Committee. Milbank also investigated various issues related to certain participation and other investment agreements involving the Debtors and reviewed the viability of certain causes of action. Milbank also analyzed the implications of recent court opinions on potential claims involving the Debtors and certain third parties. Likewise, Milbank also researched and analyzed issues related to certain claims involving the Debtors and drafted memoranda relating to the settlement and/or resolution of said claims. Although the number of Monitored Matters has been reduced, Milbank continues to review legal theories and engage in discussions with the Debtors regarding the potential of certain pending claims.

V. Firm’s Own Billing/Fee Applications

113. During the Tenth Interim Compensation Period, Milbank reviewed the Fee Statements for, among other purposes, compliance with the Interim Compensation Order, the

Local Guidelines and the Fee Committee Guidelines. Milbank also prepared and served its Fee Statements on all parties, as required by the Interim Compensation Order.

114. In addition, Milbank continued to work cooperatively with the Fee Committee to settle certain outstanding issues identified in the Fee Committee reports pertaining to the retained professionals' Interim Fee Applications.

W. Third Party Retention/Fee Application/Other Issues

115. During the Tenth Interim Compensation Period, Milbank reviewed the applications to expand the retention of Ernst & Young LLP and Dechert LLP, the Debtors' auditors and special counsel, respectively. In addition, Milbank reviewed and analyzed issues related to the Debtors' proposed retention of Gleacher & Company Securities, Inc. ("Gleacher"), as the Debtors' financial advisors in connection with any transaction related to Archstone. In particular, Milbank sought to address the Committee's concerns over duplication of efforts and fees between Gleacher and Lazard Freres & Co, LLC ("Lazard"), the Debtors' investment bankers. Accordingly, Milbank prepared and filed an objection to the Debtors' retention of Gleacher [Docket No. 23166], arguing that Gleacher's retention be conditioned on Lazard's agreement not to seek fees in connection with Archstone. The parties agreed to the Committee's condition, and Gleacher's retention, as modified, was ultimately approved [Docket No. 23679].

116. Finally, Milbank assisted in the filing and service of the ninth interim fee applications of other Committee professionals.

117. **Committee Member Fee Application.** In light of the unprecedented size and complexity of the Debtors' Chapter 11 Cases and the corresponding burdens that these cases have imposed on the members of the Committee (the "Committee Members"), and in recognition of the time and effort devoted by the Committee Members to developing, refining and securing

creditor support for the Plan, the Debtors included a provision for payment of the professional fees and expenses incurred by the Committee Members during the pendency of these cases. (See Plan at § 6.7). In this connection and as part of its overall effort to implement the terms of the Plan, during the Tenth Interim Compensation Period, Milbank prepared and filed an omnibus application (the “Omnibus Application”) on behalf of the Committee Members for the reimbursement of professional fees and expenses [Docket Nos. 24762 and 24881]. In connection with the Omnibus Application, Milbank also prepared and filed supporting declarations from each of the Committee Members detailing the extent of his/her work on these cases and explaining the non-duplicative nature of the work rendered by the Committee Members’ professionals. The Omnibus Application remains pending while the Committee Members, the Debtors and the U.S. Trustee work to resolve objections to the relief requested therein.

IV.

ALLOWANCE OF COMPENSATION

118. The professional services rendered by Milbank have required a high degree of professional competence and expertise to address, with skill and dispatch, the numerous issues requiring evaluation and action by the Committee. The services rendered to the Committee were performed efficiently, effectively and economically, and the results obtained to date have benefited not only the members of the Committee, but also the unsecured creditors of each of the Debtors’ estates.

119. The allowance of interim compensation for services rendered and reimbursement of expenses in bankruptcy cases is expressly provided for in section 331 of the Bankruptcy Code:

Any professional person . . . may apply to the court not more than once every 120 days after an order for relief in a case under this title, or more often if the court permits, for such compensation for services rendered . . . as is provided under section 330 of this title.

11 U.S.C. § 331.

120. With respect to the level of compensation, section 330(a)(1)(A) of the Bankruptcy Code provides, in pertinent part, that the Court may award to a professional person, “reasonable compensation for actual, necessary services rendered.” Section 330(a)(3), in turn, provides that:

In determining the amount of reasonable compensation to be awarded to . . . [a] professional person, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including –

- (A) the time spent on such services;
- (B) the rates charged for such services;
- (C) whether the services were necessary to the administration of, or beneficial at the time which the service was rendered toward the completion of, a case under this title;
- (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;
- (E) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and expertise in the bankruptcy field; and
- (F) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. § 330(a)(3).

121. The congressional policy expressed above provides for adequate compensation in order to continue to attract qualified and competent professionals to bankruptcy cases. In re Busy Beaver Bldg. Ctrs., Inc., 19 F.3d 833, 850 (3d Cir. 1994) (“Congress rather

clearly intended to provide sufficient economic incentive to lure competent bankruptcy specialists to practice in the bankruptcy courts.”) (citation and internal quotation marks omitted); In re Drexel Burnham Lambert Group, Inc., 133 B.R. 13, 18 (Bankr. S.D.N.Y. 1991) (“Congress’ objective on requiring that the market, not the Court, establish attorneys’ rates was to ensure that bankruptcy cases were staffed by appropriate legal specialists.”).

122. In assessing the “reasonableness” of the fees requested, courts have looked to a number of factors, including those first enumerated by the Fifth Circuit in In re First Colonial Corp. of America, 544 F.2d 1291, 1298-99 (5th Cir. 1977), and thereafter adopted by most courts.²³ See In re Nine Assocs., Inc., 76 B.R. 943, 945 (S.D.N.Y. 1987) (adopting First Colonial/Johnson analysis); In re Cuisine Magazine, Inc., 61 B.R. 210, 212-13 (Bankr. S.D.N.Y. 1986) (same); see generally 3 Collier on Bankruptcy ¶ 330.04[3] (Lawrence P. King, et al., eds., 15th rev. ed. 2009) (enumerating First Colonial and Johnson as the “leading cases to be considered in determining a reasonable allowance of compensation”). Milbank respectfully submits that the consideration of these so-called Johnson factors should result in this Court’s allowance of the full compensation requested.

- (A) The Time and Labor Required. The Debtors’ cases are among the largest, most complex and active bankruptcy cases ever filed. Accordingly, the professional services rendered by Milbank on behalf of the Committee have required the continuous expenditure of substantial time and effort, under time pressures which sometimes required the performance of services late into the evening and, on a number of occasions, over weekends and holidays. The services rendered required a high degree of professional competence and expertise in order to be administered with skill and dispatch.

²³ The factors embraced by the Fifth Circuit in First Colonial were first adopted by the Fifth Circuit’s decision in Johnson v. Georgia Highway Express, Inc., 488 F.2d 714 (5th Cir. 1974), except that First Colonial also included the “spirit of economy” as a factor expressly rejected by Congress in enacting section 330 of the Bankruptcy Code. Stroock & Stroock & Lavan v. Hillsborough Holdings Corp. (In re Hillsborough Holdings Corp.), 127 F.3d 1398, 1403 (11th Cir. 1997). A majority of the First Colonial factors are now codified in section 330(a)(3). 3 Collier on Bankruptcy ¶ 330.04[3].

- (B) The Novelty and Difficulty of Questions. Novel and complex issues have arisen in the course of these Chapter 11 Cases, and it is anticipated that other such issues will be encountered. In these cases, as in many others in which the firm is involved, Milbank's effective advocacy and creative approach to problem solving have helped clarify and resolve difficult issues and will continue to prove beneficial.
- (C) The Skill Requisite to Perform the Legal Services Properly. Milbank believes that its recognized expertise in the area of financial restructuring, its ability to draw from highly experienced professionals in other areas of its practice such as securities, structured products, asset divestiture, litigation, and regulatory law and its practical approach to the resolution of issues help maximize the distributions to the unsecured creditors of each of the Debtors.
- (D) The Preclusion of Other Employment by Applicant Due to Acceptance of the Case. Due to the size of Milbank's financial restructuring department and the firm as a whole, Milbank's representation of the Committee has not precluded the acceptance of new clients. However, the number of matters needing attention on a continuous basis has required numerous Milbank attorneys, across multiple practice groups, to commit significant portions of their time to these cases.
- (E) The Customary Fee. The compensation sought herein is based upon Milbank's normal hourly rates for services of this kind. Milbank respectfully submits that the compensation sought herein is not unusual given the magnitude and complexity of these cases and the time dedicated to the representation of the Committee. Such compensation is commensurate with fees Milbank has been awarded in other cases, as well as with fees charged by other attorneys of comparable experience.
- (F) Whether the Fee is Fixed or Contingent. Milbank charges customary hourly rates, adjusted annually, for the time expended by its attorneys and paraprofessionals in representing the Committee, and Milbank's fee is not outcome dependent.
- (G) Time Limitations Imposed by Client or Other Circumstances. As stated above, Milbank has been required to attend to various issues as they have arisen in these cases. Often, Milbank has had to perform these services under significant time constraints requiring attorneys and paraprofessionals assigned to these cases to work evenings and on weekends.
- (H) The Amount Involved and Results Obtained. The Committee represents the interests of unsecured creditors of each of the Debtors that, in the aggregate, hold unsecured claims estimated to be valued in the hundreds of billions of dollars in what has been widely described as the largest chapter 11 case ever filed. The Committee's participation, with Milbank's counsel and guidance, has greatly contributed to the efficient administration and prospects for reorganization of these cases.

- (I) The Experience, Reputation and Ability of the Attorneys. Milbank has a sophisticated and nationally recognized corporate reorganization and financial restructuring practice, and Milbank attorneys involved in this representation have played a major role in numerous complex restructurings including, for example, the chapter 11 cases of Lyondell Chemical Company, Nortel Networks Inc., Capmark Financial Group Inc., Hayes Lemmerz International, Inc., DBSD North America, Inc., Refco, Inc., Enron Corp., TOUSA, Inc., Vicorp, Interstate Bakeries Corp., Winn-Dixie Stores, Inc., Fruit of the Loom Inc., Adelphia Communications Corp., Maxxim Medical Group, Inc., RCN Corp., US Airways Group, Inc., Global Crossing Ltd., Fleming Companies, Inc., Dairy Mart Convenience Stores, Inc., Lernout & Hauspie Speech Products N.V., Teligent, Inc., World Access, Inc., ORBCOMM Global, L.P., ICO Global Communications Inc., Safety-Kleen Corp., HomePlace Stores, Inc., Hvide Marine, Inc., Sun TV and Appliances, Inc., Seven-Up/RC Bottling Company of Southern California, Inc. and Ames Department Stores, Inc. Milbank's experience enables it to perform the services described herein competently and expeditiously.
- (J) The "Undesirability" of the Case. These cases are not undesirable but, as already indicated, have required a significant commitment of time from many of Milbank's attorneys.
- (K) Nature and Length of Professional Relationship. Milbank was selected as the Committee's counsel shortly after the Committee's formation, on September 17, 2008, and was retained nunc pro tunc to that date pursuant to an order of the Court dated November 21, 2008. Milbank has been rendering services continuously to the Committee since the Committee was formed, and Milbank has rendered such services in a necessary and appropriate manner.

123. The total time spent by Milbank attorneys and paraprofessionals during the Tenth Interim Compensation Period was 20,203.6 hours and has a fair market value of \$11,988,000.25. As shown by this Application and supporting exhibits, Milbank's services were rendered economically and without unnecessary duplication of efforts. In addition, the work involved, and thus the time expended, was carefully assigned in consideration of the experience and expertise required for each particular task.

V.

EXPENSES

124. Milbank has incurred a total of \$417,403.79 in expenses in connection with representing the Committee during the Tenth Interim Compensation Period. Milbank

records all expenses incurred in connection with the performance of professional services. A schedule of expenses by project billing category, as well as a summary of these expenses and detailed descriptions of these expenses, is annexed hereto as Exhibit "C."

125. In connection with the reimbursement of expenses, Milbank's policy is to charge its clients in all areas of practice for expenses, other than fixed and routine overhead expenses, incurred in connection with representing its clients. The expenses charged to Milbank's clients include, among other things, telephone and telecopy toll and other charges, mail and express mail charges, special or hand delivery charges, photocopying charges, out-of-town travel expenses, local transportation expenses, expenses for working meals, computerized research and transcription costs.

126. Milbank charges the Committee for these expenses at rates consistent with those charged to Milbank's other bankruptcy clients, which rates are equal to or less than the rates charged by Milbank to its non-bankruptcy clients. Milbank seeks reimbursement from the Debtors at the following rates for the following expenses: (i) ten cents (\$0.10) per page for photocopying and printing; (ii) fifty cents (\$0.50) for color copies; (iii) no charge for incoming facsimiles; (iv) toll charges only for outgoing facsimiles; and (v) an average of nineteen cents (\$0.19) per minute for long distance. Specifically, with respect to phone charges over \$100.00, such charges were generally accrued in connection with (i) conference calls in which the Committee, the Debtors and/or other parties in interest participated; and (ii) mobile phone charges for selected attorneys who were required to participate in Committee conference call while traveling on Committee business.

127. In accordance with section 330 of the Bankruptcy Code, the Local Guidelines and the U.S. Trustee Guidelines, Milbank seeks reimbursement only for the actual

cost of such expenses to Milbank.²⁴ Additionally, Milbank has further limited and defined its expenses in accordance with the Fee Committee Guidelines.

128. In providing or obtaining from third parties services which are reimbursable by clients, Milbank does not include in such reimbursable amount any costs of investment, equipment or capital outlay.

129. Milbank regularly charges its non-bankruptcy clients for ordinary business hourly fees and expenses for secretarial, word processing and other staff services because such items are not included in the firm's overhead for the purpose of setting the billing rates. However, in light of discussions with Fee Committee, no reimbursement for the charges incurred in connection with such services is requested in the Application.

130. Attorneys at Milbank have not incurred expenses for luxury accommodations or deluxe meals. The Application does not seek reimbursement of air travel or train fare expenses in excess of coach fares.²⁵ Further, all overtime transportation costs were incurred after 8:00 p.m. for transporting timekeepers to their respective homes. Moreover, although overtime meal expenses are listed in their actual amounts, per the Fee Committee guidelines, Milbank does not seek reimbursement for overtime meal expenses beyond the \$20.00 maximum per meal. Throughout the Tenth Interim Compensation Period, Milbank has been keenly aware of cost considerations and has tried to minimize the expenses charged to the Debtors' estates.

²⁴ The cost of expenses Milbank is seeking reflects any discounted rates based on volume or other discounts which Milbank anticipates receiving from certain outside vendors; however, Milbank does not perform a retrospective reconciliation of any "year-end" adjustments (positive or negative) to the actual discounted cost of such expenses.

²⁵ Except in the instance of Amtrak's Acela Express train, where the lowest class is "business class."

VI.

NOTICE

131. Notice of this Application has been given to (a) the Debtors, (b) counsel for the Debtors, (c) the United States Trustee, and (d) the Fee Committee.

VII.

CONCLUSION

WHEREFORE, Milbank respectfully requests the Court to enter an order conforming to the amounts set forth in Fee Schedule A(1) attached hereto as Exhibit “D” (i) allowing Milbank (a) interim compensation for professional services rendered as counsel for the Committee during the Tenth Interim Compensation Period in the amount of \$11,988,000.25 and (b) reimbursement of expenses incurred in connection with rendering such services in the aggregate amount of \$417,403.79 for a total award of \$12,405,404.04; (ii) authorizing and directing the Debtors to pay to Milbank \$8,271,950.88 which is an amount equal to the difference between (a) this \$12,405,404.04 award and (b) \$4,133,453.16, the total of all amounts that the Debtors have previously paid to Milbank pursuant to the Interim Compensation Order for services rendered and expenses incurred during the Tenth Interim Compensation Period; and (iii) granting such further relief as is just.

Dated: New York, New York
May 21, 2012

MILBANK, TWEED, HADLEY & M^cCLOY LLP

By: /s/ Dennis F. Dunne

Dennis F. Dunne
Evan R. Fleck
Dennis C. O'Donnell
1 Chase Manhattan Plaza
New York, New York 10005
Telephone: (212) 530-5000

Counsel for Official Committee of Unsecured
Creditors of Lehman Brothers Holdings Inc., et al.

EXHIBIT A

Certification

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----	X	
	:	
In re:	:	Chapter 11 Case No.
	:	
LEHMAN BROTHERS HOLDINGS INC., <u>et al.</u> ,	:	08-13555 (JMP)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----	X	

**CERTIFICATION UNDER GUIDELINES FOR FEES AND DISBURSEMENTS
FOR PROFESSIONALS IN RESPECT OF TENTH APPLICATION OF MILBANK,
TWEED, HADLEY & M^cCLOY LLP, COUNSEL TO
OFFICIAL COMMITTEE OF UNSECURED CREDITORS, FOR INTERIM
ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND
FOR REIMBURSEMENT OF EXPENSES DURING PERIOD FROM
OCTOBER 1, 2011 THROUGH AND INCLUDING MARCH 6, 2012**

Pursuant to the Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases adopted by the Court on June 24, 1991, and amended on April 21, 1995 and November 25, 2009 (collectively, the “Local Guidelines”), the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, effective January 30, 1996 (the “U.S. Trustee Guidelines”), and the guidelines contained in the Fee Committee’s Confidential Letter Report on the Sixth Interim Application of Milbank, Tweed, Hadley & M^cCloy LLP, dated April 12, 2011 (the “Fee Committee Guidelines” and, together with the Local Guidelines and the U.S. Trustee Guidelines, the “Guidelines”), the undersigned, a member of the firm Milbank, Tweed, Hadley & M^cCloy LLP (“Milbank”), counsel to the Official Committee of Unsecured Creditors of Lehman Brothers Holdings Inc., Lehman Brothers Special Financing Inc., Lehman Commercial Paper Inc. and their affiliated debtors in possession in the above-captioned cases (collectively,

the “Debtors”), hereby certifies with respect to Milbank’s tenth application for allowance of compensation for services rendered and for reimbursement of expenses, dated May 21, 2012 (the “Application”), for the period of October 1, 2011 through and including March 6, 2012 (the “Tenth Interim Compensation Period”) as follows:

1. I am the professional designated by Milbank in respect of compliance with the Guidelines.
2. I make this certification in support of the Application, for interim compensation and reimbursement of expenses for the Tenth Interim Compensation Period, in accordance with the Local Guidelines.
3. In respect of section A.1 of the Local Guidelines, I certify that:
 - a. I have read the Application.
 - b. To the best of my knowledge, information and belief formed after reasonable inquiry, the fees and disbursements sought fall within the Guidelines.
 - c. Except to the extent that fees or disbursements are prohibited by the Guidelines, the fees and disbursements sought are billed at rates in accordance with practices customarily employed by Milbank and generally accepted by Milbank’s clients.
 - d. In providing a reimbursable service, Milbank does not make a profit on that service, whether the service is performed by Milbank in-house or through a third party.¹
4. In respect of section A.2 of the Local Guidelines, I certify that Milbank has provided statements of Milbank’s fees and disbursements previously accrued, by filing and serving monthly statements in accordance with the Interim Compensation Order (as defined in the Application), except that completing reasonable and necessary internal accounting and

¹ The cost of expenses Milbank is seeking reflects any discounted rates based on volume or other discounts which Milbank anticipates receiving from certain outside vendors; however, Milbank does not perform a retrospective reconciliation of any “year-end” adjustments (positive or negative) to the actual discounted cost of such expenses.

review procedures have at times precluded filing fee statements within the time periods established in the Interim Compensation Order.

5. In respect of section A.3 of the Local Guidelines, I certify that copies of the Application are being provided to (a) the Court, (b) the Debtors, (c) counsel for the Debtors, (d) the Office of the United States Trustee, and (e) the Fee Committee.

6. I certify that the Application for interim compensation and reimbursement of expenses for the Tenth Interim Compensation Period has been prepared in accordance with the Fee Committee Guidelines.

7. Pursuant to the Fee Committee Guidelines, I certify that all transportation charges fall within the reimbursement rule for transportation expenses.

Dated: New York, New York
May 21, 2012

By: /s/ Dennis F. Dunne
Dennis F. Dunne

EXHIBIT B

Time Entry Records¹

¹ Due to the volume of the time and expense records, these materials are not being filed with the Court, but copies thereof have been delivered to (i) the Court; (ii) the United States Trustee; (iii) the Debtors; (iv) counsel for the Debtors; and (v) the Fee Committee.

EXHIBIT C

Expenses¹

¹ Due to the volume of the time and expense records, these materials are not being filed with the Court, but copies thereof have been delivered to (i) the Court; (ii) the United States Trustee; (iii) the Debtors; (iv) counsel for the Debtors; (v) the Fee Committee.

EXHIBIT D

Fee Schedule A(1)

CASE NO.: 08-13555 (JMP) (Jointly Administered)

CASE NAME: IN RE LEHMAN BROTHERS HOLDINGS INC., et al.

FIRST INTERIM FEE PERIOD SEPTEMBER 17, 2008 – JANUARY 31, 2009							
APPLICANT	DATE/DOCKET NO. OF APPLICATION	FEES REQUESTED	FEES ALLOWED (INCLUDING FEES HELD BACK)	FEES HELD BACK	FEES PAYABLE BY DEBTOR	EXPENSES REQUESTED	EXPENSES ALLOWED
Milbank, Tweed, Hadley & McCloy LLP	4/10/09 Docket No. 3337	\$12,132,376.00	\$12,062,428.50	\$1,213,237.60	\$1,143,247.54	\$668,388.72	\$668,346.18

SECOND INTERIM FEE PERIOD FEBRUARY 1, 2009 – MAY 31, 2009							
APPLICANT	DATE/DOCKET NO. OF APPLICATION	FEES REQUESTED	FEES ALLOWED (INCLUDING FEES HELD BACK)	FEES HELD BACK	FEES PAYABLE BY DEBTOR	EXPENSES REQUESTED	EXPENSES ALLOWED
Milbank, Tweed, Hadley & McCloy LLP	8/14/09 Docket No. 4821	\$16,829,521.00	\$16,233,210.42	\$1,682,952.10	\$1,371,217.28	\$1,019,754.61	\$1,006,175.08

THIRD INTERIM FEE PERIOD JUNE 1, 2009 – SEPTEMBER 30, 2009							
APPLICANT	DATE/DOCKET NO. OF APPLICATION	FEES REQUESTED	FEES ALLOWED (INCLUDING FEES HELD BACK)	FEES HELD BACK	FEES PAYABLE BY DEBTOR	EXPENSES REQUESTED	EXPENSES ALLOWED
Milbank, Tweed, Hadley &	12/14/09	\$10,881,540.00	\$10,689,053.40	\$1,088,154.00	\$795,598.60	\$583,803.10	\$483,734.30

FEE SCHEDULE A(1)

McCloy LLP	Docket No. 6203						
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FOURTH INTERIM FEE PERIOD OCTOBER 1, 2009 – JANUARY 31, 2010							
APPLICANT	DATE/DOCKET NO. OF APPLICATION	FEES REQUESTED	FEES ALLOWED (INCLUDING FEES HELD BACK)	FEES HELD BACK	FEES PAYABLE BY DEBTOR	EXPENSES REQUESTED	EXPENSES ALLOWED
Milbank, Tweed, Hadley & McCloy LLP	4/16/10 Docket No. 8432	\$13,595,778.50	\$12,908,822.79	\$1,359,577.85	\$6,211,791.04	\$451,410.54	\$404,795.38

FIFTH INTERIM FEE PERIOD FEBRUARY 1, 2010 – MAY 31, 2010							
APPLICANT	DATE/DOCKET NO. OF APPLICATION	FEES REQUESTED	FEES ALLOWED (INCLUDING FEES HELD BACK)	FEES HELD BACK	FEES PAYABLE BY DEBTOR	EXPENSES REQUESTED	EXPENSES ALLOWED
Milbank, Tweed, Hadley & McCloy LLP	8/16/10 Docket No. 10804	\$19,450,342.75	\$19,041,118.43	\$1,945,034.28	\$11,674,570.75	\$851,804.27	\$847,210.46

SIXTH INTERIM FEE PERIOD JUNE 1, 2010 – SEPTEMBER 30, 2010							
APPLICANT	DATE/DOCKET NO. OF APPLICATION	FEES REQUESTED	FEES ALLOWED (INCLUDING FEES HELD BACK)	FEES HELD BACK	FEES PAYABLE BY DEBTOR	EXPENSES REQUESTED	EXPENSES ALLOWED
Milbank, Tweed, Hadley & McCloy LLP	12/14/10 Docket No. 13493	\$18,359,367.75	\$18,191,238.85	\$1,835,936.78	\$3,681,873.55	\$792,924.64	\$787,642.86

SEVENTH INTERIM FEE PERIOD OCTOBER 1, 2010 – JANUARY 31, 2011							
APPLICANT	DATE/DOCKET NO. OF APPLICATION	FEE REQUESTED	FEE ALLOWED (INCLUDING FEES HELD BACK)	FEES HELD BACK	FEE PAYABLE BY DEBTOR	EXPENSES REQUESTED	EXPENSES ALLOWED
Milbank, Tweed, Hadley & McCloy LLP	6/2/11 Docket No. 17343	\$14,180,784.75	\$13,617,066.02	\$2,818,286.54	\$2,271,117.05	\$633,261.80	\$631,940.63

EIGHTH INTERIM FEE PERIOD FEBRUARY 1, 2011 – MAY 31, 2011							
APPLICANT	DATE/DOCKET NO. OF APPLICATION	FEE REQUESTED	FEE ALLOWED (INCLUDING FEES HELD BACK)	FEES HELD BACK	FEE PAYABLE BY DEBTOR	EXPENSES REQUESTED	EXPENSES ALLOWED
Milbank, Tweed, Hadley & McCloy LLP	8/15/11 Docket No. 19273	\$14,678,049.25	\$12,921,360.25	\$2,935,609.85	\$1,178,920.85	\$794,661.63	\$794,661.63

NINTH INTERIM FEE PERIOD JUNE 1, 2011 – SEPTEMBER 30, 2011							
APPLICANT	DATE/DOCKET NO. OF APPLICATION	FEE REQUESTED	FEE ALLOWED (INCLUDING FEES HELD BACK)	FEES HELD BACK	FEE PAYABLE BY DEBTOR	EXPENSES REQUESTED	EXPENSES ALLOWED
Milbank, Tweed, Hadley & McCloy LLP	12/14/11 Docket No. 23418	\$12,334,262.25	[]	\$2,466,787.45	[]	\$493,651.21	[]

TENTH INTERIM FEE PERIOD OCTOBER 1, 2011 – MARCH 6, 2012							
APPLICANT	DATE/DOCKET NO. OF APPLICATION	FEES REQUESTED	FEES ALLOWED (INCLUDING FEES HELD BACK)	FEES HELD BACK	FEES PAYABLE BY DEBTOR	EXPENSES REQUESTED	EXPENSES ALLOWED
Milbank, Tweed, Hadley & McCloy LLP	5/21/12 Docket No. []	\$11,988,000.25 ¹	[]	\$9,590,400.20	[]	\$417,403.79	[]

¹

As set forth in the Application, the amount requested on account of fees and expenses incurred by Milbank during the Tenth Interim Compensation Period was \$115,049.50 more than the sum of fees and expenses set forth in the Fee Statements served during the Tenth Interim Compensation Period.

FEE SCHEDULE A(1)